



# Punjab Alkalies & Chemicals Limited

Regd. Office : S.C.O. 125-127, Sector 17-B, Chandigarh - 160 017 (INDIA)  
Phone : 0172-4072508-568, E- mail : [info@punjabalkalies.com](mailto:info@punjabalkalies.com) Fax : 0172-2704797  
CIN : L24119CH1975PLC003607, Website : [www.punjabalkalies.com](http://www.punjabalkalies.com)



PACL:SEC:2018: 616

27.09.2018'

BSE Limited,  
1st Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
MUMBAI-400 001.

Sub.: Submission of Annual Report under Regulation 34 of the SEBI  
(Listing Obligations & Disclosure Requirements) Regulations, 2015.

Dear Sir,

Pursuant to the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2017-18 duly approved and adopted by the Members at the 43<sup>rd</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September, 2018.

Please acknowledge receipt.

Thanking you,

Yours faithfully,  
For PUNJAB ALKALIES & CHEMICALS LIMITED

  
COMPANY SECRETARY

Encl: as above.

43rd

**pacl**

Punjab Alkalies & Chemicals Limited

ANNUAL REPORT 2017-18

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## Punjab Alkalies & Chemicals Limited

### BOARD OF DIRECTORS

Smt Vini Mahajan, IAS, Chairperson  
Shri Amit Dhaka, IAS, Managing Director  
Smt. Neelima, IAS  
Dr. A.K. Kundra, IAS (Retd.)  
Shri D.C. Mehandru  
Shri J.S. Mann

### COMPANY SECRETARY

CS Sugandha Kukreja

### BANKERS

Punjab National Bank  
Punjab & Sind Bank

### AUDITORS

M/s. Hari S. & Associates,  
Chartered Accountants,  
3228, Sector 15-D  
Chandigarh - 160 015  
Firm Registration No. 007709N

### INTERNAL AUDITORS

M/s. Mukesh Raj & Co.  
Chartered Accountants,  
# 114, Sector 11-A,  
Chandigarh-160011  
Firm Registration No. 016693N

### REGISTERED OFFICE

S.C.O. 125-127, Sector 17-B,  
Chandigarh-160 017

### CIN

L24119CH1975PLC003607

### WORKS

Nangal-Una Road,  
Naya Nangal-140 126  
Distt. Ropar, Punjab

### REGISTRARS & SHARE TRANSFER AGENTS

M/s. Beetal Financial & Computer Services  
Private Limited,  
Beetal House, 3rd Floor, 99, Madangir,  
Behind Local Shopping Centre,  
New Delhi - 110 062

### DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor, 17  
R. Kamani Marg, Ballard Estate  
Mumbai 400 001



## DIRECTORS' REPORT

Your Directors submit their 43rd Annual Report together with the Audited Accounts for the financial year ended 31st March, 2018.

### Financial Results

The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2018 are summarised below :-

	(Rs. in crores)	
	2017-18	2016-17
Sales Turnover & Other Income	349.09	305.48
Total Expenditure excluding	324.50	318.21
Finance Costs and Depreciation, etc.		
Finance Costs	20.29	3.50
Cash Profit/(Loss)	4.30	(16.23)
Depreciation, etc.	9.12	8.09
Net Loss before tax	4.82	24.32
Provision for taxation	-	-
Net Loss after tax	4.82	24.32

Members would be happy to note that the Net Sales Turnover of the Company at Rs.333.64 crores was higher by 24% as compared to Rs.268.10 crores in the preceding financial year due to higher production and higher net sales realisation. The Company has achieved higher capacity utilisation of 92% in the financial year under review as compared to 89% and higher combined average realisation per Electro-Chemical Unit (ECU) at Rs.38,277 (Net) as against the ECU of Rs. 31,757 (Net) during the previous year. The Company earned a Cash profit of Rs.4.30 crores during the year under review as compared to Cash loss of Rs.16.23 crores in the financial year 2016-17. In spite of reduction in power rates w.e.f. 1st January, 2018 by Punjab State Power Corporation Limited (PSPCL), the Company has incurred net loss of Rs. 4.82 crores during the year under review as against net loss of Rs. 24.32 crores due to provisioning of delayed payment surcharge on the deferment of power bills, provisioning of interest on Advance Consumption Deposit amounting to Rs.12.51 crores and write off of the amount of Rs.11.23 crores being service tax claimable on freight outward due to dismissal of appeal by CESTAT.

In view of the accumulated losses of the Company, the Directors regret their inability to recommend any dividend for the financial year 2017-18.

### Finance and Corporate Debt Restructuring

Pursuant to the CDR Scheme approved by CDR EG and consent of Shareholders in the Annual General Meeting held on 29th September, 2016, the Company had issued and allotted a) 66,05,246 equity shares, b) 27,69,200 Fully Convertible Debentures (FCDs) and c) 4,06,000 Non Convertible Debentures (NCDs) to the CDR Lenders. These FCDs and NCDs are carrying coupon rate equivalent to base rate of IDBI Bank Limited i.e. 10% p.a. payable on six monthly basis. The FCDs shall be convertible into Equity shares of the Company on 1st July, 2020 at a price which shall be determined in accordance with SEBI ICDR Regulations, 2009 (as amended) and PACL shall have the first right of refusal for redemption before conversion of these FCDs into Equity Shares. The NCDs will be redeemed at par in six equal monthly installments from 1st July, 2020.

During the financial year under review, the Company did not raise funds by way of fixed deposits.

### Current Operations and Outlook

Your Company has done extremely well in the first four months of the current financial year. The average capacity utilisation of the Plant was 103% as compared to 77% in the corresponding period of the preceding financial year. The combined average realisation in this period is Rs.40,000. The Provisional Net Profit (before tax) has been Rs.30 crores on a Sales Turnover of Rs.128.50 crores (Net) against a Net Loss (before tax) of Rs.1.50 crores on a Sales Turnover of Rs.100 crores in the corresponding period of the preceding financial year.

The Company has placed an order to M/s. Thyssenkrupp Industrial Solution (India) Pvt. Ltd. (Formerly M/s. UHDE), Germany for procurement of Generation 6 Electrolyzers and also hired their services for Detailed Engineering for modernization of its Plant Unit II which will reduce the power consumption with a consequential increase in production by 100 TPD and benefit the company by approx. Rs. 8.82 crores per annum. The Company has also placed an order to M/s. Hunan Kori Converters Co. Limited, China for supply of 2 Nos. Rectifier Transformer of its Plant Unit II. The new Rectifiers will give higher efficiency of 98% which will result in annual saving of Rs.5.40 crores (approx) per annum on account of power. The Company is also switching from Furnace oil to Coal / Rice Husk fired Boiler of its Plant, which will further save Rs. 30 lacs to Rs. 37 lacs per month.

The Company's endeavor to reduce costs continued. The major cost is on account of Power, which accounts for about 60% of the total cost of production.

The Directors are hopeful that the Company's efforts will lead to improvement in the performance of the Company in the financial year 2018-19.

# Punjab Alkalies & Chemicals Limited

## **Adoption of Indian Accounting Standard (IND AS)**

The Ministry of Corporate Affairs vide notification dated 16th February, 2015 made it mandatory in a phased manner for adoption and applicability of Indian Accounting Standards (IND AS) for companies other than Banking, Insurance and Non-Banking Finance Companies. Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 specifies the classes of companies which shall comply with the IND AS in preparation of the financial statements. In accordance with clause (iii) of sub rule (1) of the Rule 4 of the Companies (Indian Accounting Standards) Rules 2015, the compliance of Indian Accounting Standards was applicable and mandatory to the company for the accounting period beginning from 1st April, 2017.

The financial statements for the year under review have been prepared in accordance with the IND AS including the comparative information for the year ended 31st March, 2017 as well as the financial statements on the date of transition i.e. 1st April, 2016.

## **Environment and Energy Conservation**

The Company is committed to run its operations in an environment-friendly manner. The Company's endeavor is to take all possible measures towards maintaining safety and good housekeeping in its Plants. Online Monitoring System has been installed at Works as per requirement of Central Pollution Control Board. A Safety Audit of the Plant was got conducted during the financial year 2017-18 from the National Safety Council and its recommendations are being implemented.

The Company continues to place a great emphasis on energy conservation. The Company is getting the Energy Audit conducted on regular basis. The information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required to be disclosed pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, is given in Annexure-I forming a part of this report.

## **Change in the nature of business**

There is no change in the nature of business of the Company.

## **Listing**

The Equity Shares of the Company are listed on the BSE Limited. The Annual listing fee for the year 2018-19 has been paid to the BSE Limited.

## **Human Resources**

Your Company continues to develop and upgrade the skills of its human resources. The process of training and development of human resources continued. Industrial relations remain cordial and peaceful during the year.

The age of superannuation for existing employees of the Company will continue to remain at 60 years, however, those employees employed w.e.f. 17.10.2017 will retire at attaining the age of 58 years as ordered by Appellate Authority vide order dated 01.06.2018 while disposing of the appeal filed by the PACL Karamchari Sangh, Naya Nangal.

The Particulars of Employees and Managerial Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure - II forming a part of this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information will be available for inspection at the Registered Office of the Company during working hours. Members interested in obtaining the said information will be furnished the same upon receipt of request.

## **Policy on Sexual Harassment**

The Company has Zero tolerance for Sexual Harassment at Workplace and has in place a "Policy on Sexual Harassment at Workplace" pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The Policy aims to provide protection to employees at the Workplace and prevent and redress complaints of sexual harassment and framed with the objective of providing a safe working environment, where employees feel secure. Internal Complaints Committee has been setup to redress complaints regarding sexual harassment. During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **Corporate Governance**

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the financial year 2017-18 is annexed herewith as Annexure - III forming a part of this report and the Corporate Governance Report for the financial year 2017-18 and Auditors' Certificate regarding compliance of conditions of Corporate Governance are also annexed. The provisions of section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility are not applicable to the Company in view of the losses of the Company.

## **Directors & Key Managerial Personnel**

The Punjab State Industrial Development Corporation Limited (PSIDC) nominated Smt. Vini Mahajan, IAS as Director and Chairperson of the Company vice Shri Rakesh Kumar Verma, IAS w.e.f. 13th August, 2018. Consequently, Shri Rakesh Kumar Verma, IAS resigned as a Director of the Company w.e.f. 13th August, 2018. The Board of Directors of the Company has appointed Smt. Vini Mahajan, IAS, as Additional Director in the capacity of Chairperson of the Company w.e.f. 13th August, 2018.

The PSIDC had requested the Company to appoint Shri Rajat Agarwal, IAS, as an Additional Director on the Board of Directors of the Company and also take necessary steps to appoint him as Managing Director of the Company for the period of absence of Shri Amit Dhaka, IAS, Managing Director from State. Accordingly, the Board of Directors of the

Company had appointed Shri Rajat Agarwal, IAS, as an Additional Director of the Company on 22nd November, 2017. The Board of Directors of the Company also appointed Shri Rajat Agarwal, IAS, as the Managing Director of the Company for the period from 22nd November, 2017 to 10th December, 2017 for acting as the Managing Director of the Company during the absence of Shri Amit Dhaka, IAS, Managing Director from State. Shri Rajat Agarwal, IAS resigned as a Director of the Company w.e.f. 10th December, 2017. Shri Rajat Agarwal, IAS also ceased to be the Managing Director of the Company w.e.f. 10th December, 2017.

The PSIDC has nominated Smt. Neelima, IAS as its Nominee on the Board of Directors of the Company in place of Smt. Indu Malhotra, IAS. Smt. Indu Malhotra, IAS resigned as a Director of the Company w.e.f. 2nd August, 2018. Accordingly, the Board has appointed Smt. Neelima, IAS as Additional Director of the Company on 14th August, 2018.

Smt. Vini Mahajan, IAS and Smt. Neelima, IAS, hold office as Directors till the date of the ensuing Annual General Meeting. Notices in writing have been received from a member under Section 160 of the Companies Act, 2013, signifying their intention to propose at the ensuing Annual General Meeting the appointment of Smt. Vini Mahajan, IAS and Smt. Neelima, IAS as Directors of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

Shri Amit Dhaka, IAS, Managing Director of the Company, retires as Director by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

The Directors place on record their appreciation of the valuable contribution made by Shri Rakesh Kumar Verma, IAS, Shri Rajat Agarwal, IAS and Smt. Indu Malhotra, IAS.

The Board seeks approval of the Shareholders for Dr. A.K.Kundra, IAS (Retd.) and Shri D.C. Mehandru, who have attained the age of 75 years, to continue to hold office as Independent Directors of the Company, till the current tenure of their respective appointments, in line with Regulation 17 (1A) of the SEBI (LODR) (Amendment) Regulations, 2018.

The Board of Directors of the Company has appointed Shri Ajay Pal Singh as Chief Financial Officer of the Company on Contractual Basis for a further period of one year with effect from 6th June, 2018.

#### **Audit Committee**

The Audit Committee of the Board comprises of Shri D.C. Mehandru, Shri J.S. Mann and Shri Amit Dhaka, IAS, Managing Director with Shri D.C. Mehandru as its Chairman.

#### **Risk Management Committee**

The Board of Directors of the Company has constituted a Risk Management Committee to monitor and review the Risk Management Plan of the Company.

#### **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the period under review;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts for the financial year ended 31st March, 2018 on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Declaration of Independent Directors**

All the Independent Directors have met requirements specified under Section 149 (6) of the Companies Act, 2013 regarding holding the position of 'Independent Director' and necessary Declaration from each Independent Director under Section 149(7) of the Act has been received. The Independent Directors have held a separate meeting during the year under review.

#### **Related Party Transactions Policy**

During the year under review, the Company has not entered into any arrangement or contract or transactions with related parties except the remuneration paid to the Key Managerial Personnel.

#### **Vigil Mechanism and Whistle Blower Policy**

The Board of Directors of the Company has in place the Policy on Vigil Mechanism and Whistle Blower. The same has also been placed on the Company's Website [www.punjabalkalies.com](http://www.punjabalkalies.com).

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance

# Punjab Alkalies & Chemicals Limited

and all the Directors individually.

The evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting by the Independent Directors.

## **Auditors**

M/s. Hari S. & Associates, Chartered Accountants (Regn No.007709N), Statutory Auditors of the company, have been appointed by the shareholders in the Annual General Meeting held on 27th September, 2017 for a period of five years i.e. from the conclusion of 42nd Annual General Meeting until the conclusion of the 47th Annual General Meeting to be held in the year 2022, at such remuneration as may be fixed by the Board of Directors. Section 139 of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 required that the appointment of the statutory auditors will be subject to ratification by shareholders at every Annual General Meeting; but pursuant to the notification of the Central Government dated 7th May 2018, the ratification provision has been withdrawn. Consequently, the ratification of appointment of M/s. Hari S. & Associates as Statutory Auditors is not required.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

## **Cost Auditors**

Section 148 of the Companies Act, 2013 pertaining to audit of Cost Records is applicable to the Company. Accordingly, the Board has, subject to the approval of the Shareholders, appointed M/s. J.K. Kabra & Co., Cost Accountants as Cost Auditors of the Company for conducting an audit of the cost accounting records of the Company in respect of the financial year 2018-19.

## **Secretarial Audit**

M/s. A. Arora & Co., Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2017-18. Their Secretarial Audit Report of the Company for the financial year ended 31st March, 2018 is annexed as Annexure-IV to this Report. The Report does not contain any qualification. M/s. A. Arora & Co., Practising Company Secretaries were reappointed as Secretarial Auditors of the Company for the Financial Year 2018-19.

## **Annual Return**

Pursuant to the provisions of Section 134 (3) (a) and 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is annexed as Annexure -V to this Report and is also placed on the website of the Company [www.punjabalkalies.com](http://www.punjabalkalies.com).

## **Acknowledgements**

The Directors wish to thank the Central and State Governments, Financial Institutions, Punjab State Industrial Development Corporation Limited, Punjab State Power Corporation Limited, Company's Bankers and Business Constituents for their continued cooperation and support to the Company.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitments and continued contribution to the Company.

For and on behalf of the Board

Sd/-  
(VINI MAHAJAN)  
Chairperson

Place : Chandigarh  
Date : August 14, 2018





## ANNEXURE – I TO THE DIRECTORS' REPORT

**Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2018.**

<b>Energy Consumption and Conservation</b>	<b>2017-18</b>	<b>2016-17</b>
<b>A. Power and Fuel Consumption</b>		
1. Electricity		
(a) Purchased		
(i) From Punjab State Power Corporation Limited		
Units (lacs KWH)	<b>2362.87</b>	1718.57
Total Amount (Rs.in lacs)	<b>18839.79</b>	14623.96
Rate / Unit (Rs.) (incl. surcharge)	<b>7.97</b>	8.51
(ii) From Other Sources through Indian Energy Exchange		
Units (lacs KWH)	-	637.05
Total Amount (Rs.in lacs)	-	3538.62
Rate / Unit (Rs.)	-	5.55
(iii) Total		
Units (lacs KWH)	<b>2362.87</b>	2355.62
Total Amount (Rs.in lacs)	<b>18839.79</b>	18162.58
Rate / Unit (Rs.) (incl. surcharge)	<b>7.97</b>	7.71
(b) Own Generation	<b>Nil</b>	Nil
2. Coal	<b>Nil</b>	Nil
3. Furnace Oil/LDO/HSD		
Quantity (K. litres)	<b>1934.812</b>	1755.06
Total Amount (Rs.in lacs)	<b>538.81</b>	453.10
Average Rate (Rs. per K.litre)	<b>27848.18</b>	25816.68
4. Others	<b>Nil</b>	Nil
<b>B. Consumption per Unit of Caustic Soda Produced</b>		
1. Electricity (KWH)		
- Caustic Soda Lye	<b>2596</b>	2667
- Additional Consumption for conversion to Caustic Soda Flakes	<b>Nil</b>	Nil
2. Furnace Oil/LDO/HSD (ltrs.)		
- For Caustic Soda Lye	<b>21.25</b>	19.88
- Additional Consumption for conversion to Caustic Soda Flakes	<b>Nil</b>	Nil

Keeping in view the costing pattern adopted by the Company, per unit energy consumption for by-products cannot be separated from Caustic Soda Lye figures.

The Company is replacing Electrolyzers with latest Generation 6 technology and 2 Nos. Rectifier Transformer of its Plant Unit II which will increase the plant efficiency and reduction in power consumption per unit of Caustic Soda Lye. The Company is also switching from Furnace oil to Coal / Rice Husk fired Boiler of its Plant to reduce steam cost.

### Research and Development

The Research & Development effort of the Company continued to be directed towards energy conservation and pollution control.

Expenses incurred on R & D are booked under respective general accounting heads and no amounts can therefore be quantified separately under the head of R & D expenses.

### Technology Absorption, Adaptation and Innovation

The know-how for the Company's 100 TPD Membrane Cell Caustic Soda Plant has been fully absorbed. The know-how for the Company's Mercury Cell to 200 TPD Membrane Cell Converted Caustic Soda Plant has also been fully absorbed. Total foreign exchange utilised during the accounting year is Rs. 326.27 lacs on account of imported Raw Materials, Stores & Spares and Membranes.

For and on behalf of the Board

Place : Chandigarh  
Date : August 14, 2018

Sd/-  
(VINI MAHAJAN)  
Chairperson

## ANNEXURE - III TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FINANCIAL YEAR 2017-18

### Caustic Soda Industry

Caustic Soda Industry worldwide has witnessed healthy demand growth and tight Caustic Soda supply during the year 2017-18 due to temporary closure of manufacturing plants in Europe and China. In India, consumption of Caustic Soda and Chlorine is expected to show 5-8 % growth over the medium term. With healthy performance in recent years and expectations of an increase in demand by key consuming sectors, the Industry may likely to witness some capacity additions. The imports are in declining trend, is a good sign for industry operating rates improving and more of domestic supplies being utilized. Domestic Industry is capable of meeting demand in the country, but with the limiting demand of Chlorine, caustic production is restricted. Industry need to work in direction of enhancing Chlorine utilization. Although domestic consumption of chlorine is yet to develop, healthy prospects of exports for chlorine derivatives will be the driver for Chlorine demand growth. In this Scenario, Chlor Alkali industry in India is looking forward to a bright future and industry need to focus on improving process efficiency through sharing and learning on new developments, emerging technologies and initiatives in chlor-alkali processes.

At present, there are about 35 Caustic Soda Units in operation in India having a total operational installed capacity of about 37 lac M.T. per annum.

Caustic Soda and Chlorine are produced as co-products in the ratio of 1:0.88. The growth of this Industry is highly correlated to the GDP in the Country. Caustic Soda is used in Alumina, Paper, Textiles, Detergents, Soaps, Fertilizers, Refineries, Pharmaceuticals Industries etc. and Chlorine is used in CPW, Chloromethane, PVC, Pulp & Paper, Pesticides, Water Purification, etc. The demand of both the products are linked to the Indian GDP group because these products are considered as the building blocks of various other Industries. Caustic Soda prices are influenced by import parity alongwith domestic demand - supply situations and Chlorine prices are driven only by local demand supply factors and the import of Chlorine derivatives.

### Performance

The Company's production of Caustic Soda Lye was 91029 M.T. at capacity utilisation of the plant at 92% during the financial year 2017-18 as against production of 88301 M.T. at capacity utilisation of 89% during the financial year 2016-17. In the financial year 2017-18, the combined net average realisation at Rs.38,277 per M.T. of Caustic Soda as compared to Rs. 31,757 per M.T. of Caustic Soda during the preceding financial year. The Sales Turnover during the financial year under review was Rs.342.02 crores as against Rs.302.77 crores in the preceding financial year. The Company has incurred a Net Loss of Rs. 4.82 crores in the financial year 2017-18 because of provisioning of delayed payment surcharge on the deferment of power bills, provisioning of interest on Advance Consumption Deposit (ACD) amounting to Rs.12.51 crores and the write off of the amount of Rs.11.23 crores being service tax claimable on freight outward due to dismissal of the Appeal by CESTAT.

### Marketing

The product-wise Sales of the Company are given below:

Product	Sales	
	Quantity	Value (Rs. in crores)
Caustic Soda Lye	87163 M.T.	327.40
Liquid Chlorine	66048 M.T.	0.00
Hydrochloric Acid	47891 M.T.	2.18
Sodium Hypochlorite	17426 M.T.	7.64
Hydrogen Gas	28.68 Lacs NM <sup>3</sup>	4.85

The combined net average sales realisation of all the products has been Rs. 38,277 per M.T. of Caustic Soda during the financial year 2017-18 as compared to Rs. 31,757 in the preceding financial year.

### Opportunities

The Company's two Caustic Soda Plants are located in its Works Complex at Naya Nangal, District Ropar, Punjab in close vicinity of a State Highway and around 12 Kms. from the Bhakra Left Bank Power Generating Station and about 2.5 Kms. from Sutlej River. The Company has locational advantages of availability of uninterrupted Power supply – a major input, perennial source of water, skilled labour and close proximity to road/rail and the presence of several end-user Units in industries like paper, fertilizers, soaps and detergents, etc. in its natural marketing vicinity. The Company is supplying Hydrogen Gas to Hydrogen Compressing & Bottling Unit situated near the Work's Complex of the Company and is also utilising Hydrogen as a fuel, which result in a considerable improvement of utilisation of its bye-product Hydrogen Gas. The Company is also supplying Chlorine through pipe line to Chlorinated Paraffin Wax (CPW) Plant in Company's Plant Complex due to which bottleneck of Chlorine disposal has been removed resulting in more production of Caustic Soda Lye.



### Threats

The Chlor-Alkali Industry is a power-intensive industry. The Company's power costs account for about 60% of its total cost of production. A hike in power tariff for the power supplied by the Punjab State Power Corporation Limited (PSPCL) and imposition of restriction on purchase of power under Open Access System constitute threats to the Company's operations. The other possible threats are increase in other input costs and expansion of installed capacities in Indian Caustic Soda Industry. On the international front, the Chlorine is main product but in India the Caustic Soda is the driving product, resulting in heavy competition due to import of Caustic Soda at lower rates. Moreover, discontinuation of levy of anti-dumping duty on the import of Caustic Soda from some countries will be a threat to Caustic Soda Industry in India. The Competitors are having their own Power Plants with low power cost resulting in low cost of production. They are expanding their capacities thereby increasing their market share.

### Outlook

The combined average realisation is expected to improve. The recent reduction in power rates by Punjab State Power Corporation Limited (PSPCL) has reduced the cost of production. Modernisation of Company's Plant with Electrolyzers of Generation 6 Technology from M/s. Thyssenkrupp Industrial Solution (India) Pvt. Ltd. (Formerly M/s. UHDE), Germany will reduce the power consumption with consequential increase in production capacity by 100 TPD and benefit the company by approx. Rs.8.82 crores per annum and Replacement of 2 Nos. Rectifier Transformer of its Plant Unit II from M/s. Hunan Kori Converters Co. Limited, China will give higher efficiency of 98% which will result in annual saving of Rs.5.40 crores (approx) per annum on account of power. The Company is also switching from Furnace oil to Coal /Rice Husk fired Boiler of its Plant, which will result in further saving of Rs. 30 lacs to Rs. 37 lacs per month.

The Company is optimistic about a better performance.

### Risks and Concerns

The major areas of concern for the Company are hike in power tariff, safety as producing hazardous Chemicals, rise in other input cost and to maintain quality, technical competence, distribution channels etc. as working in competitive market. Dumping of Caustic Soda from neighbouring countries might impact realisations of the Electrochemical unit (ECU).

### Risk Management

Risks are probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action. Risk management is the identification, assessment, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor, and control the probability and/or impact of unfortunate events or to maximise the realisation of opportunities. The Company has in place Risk Assessment and Minimisation Procedures to identify, assess and mitigate business risks. Risk Assessment and Minimisation Procedures of the Company are reviewed periodically to ensure that these reflect the current potential risks to its business. The Company has identified (1) Cost of Power-Being Power Intensive Industry and being dependent for the same on Punjab State Power Corporation Limited, (2) Production of Hazardous Chemicals-Caustic Soda and Chlorine, (3) Risk of Loss of production due to breakdown of Plant & Machinery- Plant being old and (4) Locational Disadvantage -Plant at Naya Nangal being quite far off from source of major Raw Material i.e. Industrial Salt, as Major Internal Risks besides (1) Ongoing Expansion in Caustic Soda Capacity and (2) Advancement in technology as major External Risk. The Board of Directors of the Company has constituted a Risk Management Committee to monitor and review the Risk Management Plan of the Company.

### Internal Control Systems

The Company has adequate internal control systems commensurate with its size and nature of its business. The internal control is supplemented by internal audits conducted by the Internal Auditors of the Company. The reports of the Internal Auditors are reviewed by the Management and the Audit Committee of the Board of Directors. The adequacy of the internal control systems is also examined by the Statutory Auditors of the Company. Internal Controls over financial reporting were evaluated by Independent Consultants and no reportable material weakness in the design or operation was observed.

### Human Resources

The Company considers its human resources to be a key thrust area. The Company has always stood by its commitment of harnessing and developing its human resources. The process of training and development of human resources continued. The industrial relations remained cordial during the financial year under review. The Company had 408 employees (including 19 employees on deputation to the Punjab Small Industries and Export Corporation Limited) as on 31st March, 2018.

### Cautionary Statement

The statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand-supply, finished goods prices, power and raw materials costs and availability, power wheeling charges and restrictions, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board  
Sd/-

(VINI MAHAJAN)  
Chairperson

Place : Chandigarh  
Date : August 14, 2018

# Punjab Alkalies & Chemicals Limited

## ANNEXURE - IV TO THE DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March, 2018

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Punjab Alkalies & Chemicals Limited,  
S.C.O. 125-127, Sector 17-B,  
Chandigarh- 160017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PUNJAB ALKALIES & CHEMICALS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PUNJAB ALKALIES & CHEMICALS LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PUNJAB ALKALIES & CHEMICALS LIMITED ("the Company") for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the extent, as applicable, for allotment of securities on preferential issue basis, during the audit period.
  - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable as none of the securities of the company were delisted during the audit period.
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not applicable as the company has not issued any listed debt securities during the financial year under review.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.



- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, Equal Remuneration Act, 1976 etc.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974
- (xi) The Boilers Act, 1923, The Explosives Act, 1884 and The Explosives Rules, 2008, Gas Cylinder Rules, 2004.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the BSE Limited;

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried out through majority and there had been no dissenting views, and therefore not recorded.
4. The company has proper board processes.

Based on the compliance mechanism established by the company, I am of an opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. The company has allotted 27,69,200 Fully Convertible Debentures and 4,06,000 Non - Convertible Debentures of Rs. 100/- each at par on preferential issue basis, pursuant to the CDR Scheme approved by the Corporate Debt Restructuring Empowered Group (CDR EG).
2. There was an incident of explosion in the factory premises of the company situated at Naya Nangal on 09.05.2017. There was no casualty involved and the necessary intimations were given to the Stock Exchange and the Board of Directors. The Board directed that the company shall strictly adhere to the safety measures in the factory premises under the applicable regulatory guidelines.

Apart from the business stated above, there were no instances of:

- (i) Public Issue/ Rights Issue/ sweat equity issue.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

For A. ARORA & COMPANY

Sd/-

AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

Place: Chandigarh

Date : 10-08-2018

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

# Punjab Alkalies & Chemicals Limited

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"Annexure-A"

To,  
The Members,  
Punjab Alkalies & Chemicals Limited,  
S.C.O. 125-127, Sector 17-B,  
Chandigarh- 160017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh  
Date : 10-08-2018

For A. ARORA & COMPANY  
Sd/-  
AJAY K. ARORA  
(Proprietor)  
FCS No. 2191  
C P No.: 993





## ANNEXURE- V TO THE DIRECTOR'S REPORT

### Extract of Annual Return

as on the Financial Year ended on 31st March, 2018  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

### Form No. MGT-9

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L24119CH1975PLC003607
- ii) Registration Date : 1<sup>st</sup> December, 1975
- iii) Name of the Company : Punjab Alkalies & Chemicals Limited
- iv) Category / Sub-Category of the Company : Public Company/ Limited by Shares
- v) Address of the Registered office and contact details : S.C.O. 125-127, Sector 17-B, Chandigarh - 160017  
Ph.: (0172)-4072500-501  
Fax: (0172)-2704797
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Beetal Financial & Computer Services Private Limited,  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110 062.  
Ph.: (011)-29961281-83  
Fax: (011)-29961284

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the company
1	Caustic Soda Lye	The Company's operation falls under single segment viz. 'Chemicals'- NIC Code :20119	96%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	Not Applicable				

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity):

##### (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year ( April 01, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	9090000	0	9090000	33.49	9090000	0	9090000	33.49	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (1)</b>	9090000	0	9090000	33.49	9090000	0	9090000	33.49	0

## Punjab Alkalies & Chemicals Limited

<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	9090000	0	9090000	33.49	9090000	0	9090000	33.49	0
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	11700	11700	0.04	0	11700	11700	0.04	0
b) Banks / FI	6111923	9400	6121323	22.55	113903	9400	123303	0.45	(22.10)
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	493323	0	493323	1.82	493323	0	493323	1.82	0
g) FIs	0	3150	3150	0.01	0	3150	3150	0.01	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B) (1)</b>	6605246	24250	6629496	24.43	607226	24250	631476	2.33	(22.10)
<b>(2.) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	1005903	562750	1568653	5.78	1668790	562750	2231540	8.22	2.44
ii) Overseas	0	20000	20000	0.07	0	20000	20000	0.07	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5110152	1603269	6713421	24.74	5008059	1573899	6581958	24.25	(0.48)
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	2643947	0	2643947	9.74	8011939	-	8011939	29.52	19.78
c) Others: (Specify) NRI - Individuals	152414	322865	475279	1.75	252068	321815	573883	2.11	0.36
<b>Sub-Total (B) (2)</b>	8912416	2508884	11421300	42.08	14940856	2478464	17419320	64.18	22.10
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	15517662	2533134	18050796	66.51	15548082	2502714	18050796	66.51	0
<b>C. Shares held by Custodian for ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	24607662	2533134	27140796	100	24638082	2502714	27140796	100	0

### (ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Punjab State Industrial Development Corporation Limited	9090000	33.49	0	9090000	33.49	0	0
	<b>Total</b>	<b>9090000</b>	<b>33.49</b>	<b>0</b>	<b>9090000</b>	<b>33.49</b>	<b>0</b>	<b>0</b>



**(iii) Change in Promoters' Shareholding (please specify, if there is no change in the promoters):**

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in the Promoter's Shareholding			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc).				
	At the end of the year				

**(iv) Shareholding of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Name of Shareholder	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Shareholding at the end of the quarter ended 30th June, 2017			Shareholding at the end of the quarter ended 30th September, 2017			Shareholding at the end of the quarter ended 31st December, 2017			Shareholding at the end of the year (31 <sup>st</sup> March, 2018)		
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease
1	Sukhbir Singh Dahiya	0	0	0	0		0	0		1460	0.005	Purchase	1035264	3.814	Purchase
2	Jagbir Singh Ahlawat	0	0	0	0		0	0		0	0		745020	2.745	Purchase
3	Prerna	0	0	0	0		0	0		0	0		609952	2.247	Purchase
4	Aman Jain	0	0	178352	0.657	Purchase	178362	0.657		215580	0.794	Purchase	599080	2.207	Purchase
5	Dayawati	0	0	0	0		0	0		0	0		586853	2.162	Purchase
6	Nipun Khosla	0	0	0	0		0	0		0	0		534116	1.967	Purchase
7	Life Insurance Corporation of India	493323	1.817	493323	1.817		493323	1.817		493323	1.817		493323	1.817	
8	Himalaya Alkalies & Chemicals Limited	0	0	0	0		0	0		0	0		420980	1.551	Purchase
9	The Punjab State Co-op. Supp. & Mktg. Fed. Ltd.	410000	1.510	410000	1.510		410000	1.510		410000	1.510		410000	1.510	
10	Anil Kumar Goel	300000	1.105	300000	1.105		300000	1.105		300000	1.105		300000	1.105	
11	Jay Bharat Dattani	324331	1.195	324331	1.195		324331	1.195		299078	1.102	Sale	299078	1.102	
12	Jaideep Sampat	0	0	0	0		0	0		0	0		271130	0.999	Purchase

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Name of the Director and Key Managerial Personnel	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)	Date wise Increase / Decrease in Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Shareholding at the end of the year (31 <sup>st</sup> March, 2018)
1.	Dr. A. K. Kundra, IAS (Retd.), Director	600 Equity Shares	0	600 Equity Shares

Note : None of the other Directors and Key Management Personnel, was holding any Equity Shares of the Company during the Financial Year ended on 31st March, 2018.

# Punjab Alkalies & Chemicals Limited

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment : (In Rupees)

	Secured Loans (& Working Capital Loans) Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	276956901.00			276956901.00
ii) Interest due but not paid	0.00			0.00
iii) Interest accrued but not due	55685114.00			55685114.00
Total (i+ii+iii)	332642015.00			332642015.00
Change in Indebtedness during the Financial Year				
• Addition	40563099.00	NIL		40563099.00
• Reduction	48580343.00			48580343.00
Net changes	-8017244.00			-8017244.00
Indebtedness at the end of the Financial Year				
i) Principal Amount	317520000.00			317520000.00
ii) Interest due but not paid	00.0			00.0
iii) Interest accrued but not due	7104771.00			7104771.00
Total (i+ii+iii)	324624771.00			324624771.00

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rupees)

S. No.	Particulars of Remuneration	Name of Managing Director		Total Amount
		Shri Amit Dhaka, IAS (01.04.2017 to 31.03.2018)	Shri Rajat Agarwal, IAS (22.11.2017 to 10.12.2017)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			3000000*

\* Minimum Remuneration.

### B. Remuneration to Other Directors:

(In Rupees)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Dr. A.K. Kundra, IAS(Retd.)	Shri D.C. Mehandru	Shri J.S. Mann	
	• Fee for attending Board and Committee Meetings	87000	124000	60000	
	• Commission				
	• Others, please specify				
	Total (1)	87000	124000	60000	271000
2.	Other Non-Executive Directors	Shri D.P. Reddy, IAS	Shri Rakesh Kumar Verma, IAS	Smt. Indu Malhotra IAS	
	• Fee for attending Board and Committee Meetings	10000*	20000*	10000*	
	• Commission				
	• Others, please specify				
	Total (2)	10000*	20000*	10000*	40000
	Total (B) = (1+2)				311000
	Total Managerial Remuneration				311000
	Overall Ceiling as per the Act				

\* Paid to the Punjab State Industrial Development Corporation Limited.

**C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole Time Director:**  
(In Rupees)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri Ajay Pal Singh, CFO	CS Sugandha Kukreja	Shri Pradeep Nauharla Ex-CS & SGM (C.A.) (Ex-gratia)	
1.	Gross salary	1174021.00	756234.00	-	1930255.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act,	150803.00	32142.00	-	182945.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- As % of profit				
	- others, specify				
5.	Others, please specify (Ex-Gratia arrear			183092.00	183092.00
	Total (A)	1324824.00	788376.00	183092.00	2296292.00

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. Company					
Penalty			NIL		
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board

Place : Chandigarh  
Date : August 14, 2018

Sd/-  
(Vini Mahajan)  
Chairperson

# Punjab Alkalies & Chemicals Limited

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2017-18

### 1. Brief Statement on the Company's philosophy on Code of Governance

The Company believes in good Corporate Governance and has been practising it for the conduct of its business and for meeting its obligations towards its stakeholders.

The Company had modified its corporate practices from time to time so as to bring them in line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

### 2. Board of Directors

The Board of Directors comprises of 6 Directors, of which Chairperson is a Non-Executive Director. The Company has a Managing Director and 5 Non-Executive Directors (including a Woman Director) of whom three are Independent Directors. The composition of the Board as on 31st March, 2018 is given below:

#### Category of Directorship

Non-Executive-Independent Director 3

Non-Executive-Non-Independent Director 2

Executive Director (Managing Director) 1

**Total Strength 6**

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the financial year and at the last Annual General Meeting, as also the number of Directorships held by them in other Companies and memberships of the Committees of the Board of the Companies in which they are Directors are given below:-

Name	Date of Appointment	Date of Cessation	Category	Attendance at Board Meetings during 2017-18 (1.4.2017 to 31.3.2018)	Attendance at last AGM on 27.9.2017	No. of Directorships in other Companies		Memberships of the Committees of the Board of all the Companies*	
						Chairman	Director	Chairman	Member
Shri Anirudh Tewari, IAS, Chairman (PSIDC Nominee)	18.05.2015	26.04.2017	NE&NI	-	N.A.	N.A.	N.A.	N.A.	N.A.
Shri D.P. Reddy, IAS, Chairman (PSIDC Nominee)	26.04.2017	30.06.2017	NE&NI	2	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Rakesh Kumar Verma, IAS, Chairman (PSIDC Nominee)	30.06.2017	13.08.2018	NE&NI	3	No	-	4	-	-
Smt. Vini Mahajan, IAS, Chairperson (PSIDC Nominee & Woman Director)	13.08.2018	-	NE&NI	-	N.A.	1	1	-	-
Shri Amit Dhaka, IAS, Managing Director (PSIDC Nominee)	20.03.2017	-	E&NI	6	Yes	-	1	-	2
Shri Rajat Agarwal, IAS Managing Director (PSIDC Nominee)	22.11.2017	10.12.2017	E&NI	1	N.A.	N.A.	N.A.	N.A.	N.A.
Shri D.C. Mehandru	26.06.2002	-	NE&I	7	Yes	-	1	3	-
Dr. A. K. Kundra, IAS (Retd.)	13.12.2004	-	NE&I	4	Yes	1	1	1	2
Shri J.S. Mann	12.08.2010	-	NE&I	7	Yes	-	1**	-	1
Smt. Indu Malhotra, IAS (PSIDC Nominee & Woman Director)	26.05.2016	02.08.2018	NE&NI	2	No	-	4	-	-
Smt. Neelima, IAS (PSIDC Nominee & Woman Director)	14.08.2018	-	NE&NI	-	No	-	1	-	-

\*Includes only Audit Committee and Stakeholders Relationship Committee.

\*\*Cessation of Directorship on 12.04.2018.

NE&NI - Non-Executive Non- Independent Director PSIDC - Punjab State Industrial Development Corporation Limited (Promoter – holding 33.49% of the Subscribed Capital)

NE&NI - Non-Executive Non- Independent

&FIN Financial Institution Nominee Director

NE&I - Non-Executive Independent Director

E&NI - Executive Non-Independent Director

Seven Board Meetings were held during the financial year 2017-18 as against the minimum requirement of four meetings in a year. The dates on which the Board Meetings were held are given below: 17<sup>th</sup> May, 2017, 24<sup>th</sup> May, 2017, 16<sup>th</sup> August, 2017, 13<sup>th</sup> September, 2017, 13<sup>th</sup> November, 2017, 22<sup>nd</sup> November, 2017 and 13<sup>th</sup> February, 2018.

The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2017-18 other than receiving Sitting Fees and/or reimbursement of expenses, if any, incurred for attending the meetings of the Company.

The Board of Directors of the Company in its meeting held on 13th February, 2018 had amended Code of Conduct for Directors and Senior Management Personnel of the Company with effect from 13th February, 2018. The same has also been

placed on the Company's Website [www.punjabalkalies.com](http://www.punjabalkalies.com). All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Directors and Senior Management Personnel during the financial year 2017-18 and the Chief Executive Officer's Declaration to this effect is annexed herewith.

### 3. Audit Committee

The Company had constituted an Audit Committee of the Board of Directors in the year 1986.

The terms of reference and role of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity with and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

The names and categories of the Chairman and members of the Audit Committee and their attendance at the Audit Committee meetings during the financial year under review are given below:-

Name	Designation	Category	Attendance during 2017-18 (1.4.2017 to 31.3.2018)
Shri D.C. Mehandru	Chairman	NE&I	5
Shri J.S. Mann	Member	NE&I	5
Shri Amit Dhaka, IAS	Member	E&NI	5

NE&I - Non-Executive Independent Director

E&NI - Executive Non - Independent Director

In addition to the Members of the Audit Committee, the Chief Financial Officer, Internal Auditors and the Statutory Auditors attended the meetings of the Committee as invitees. Members held discussions with Statutory Auditors during the meetings of the Committee. The Audit Committee reviewed the quarterly, half yearly and year to date un-audited and annual audited financial of the Company before submission to the Board of Directors for its consideration and approval. The Committee also reviewed internal audit reports.

Five meetings of the Audit Committee were held during the financial year 2017-18.

The dates on which the meetings of the Audit Committee were held are given below:

24<sup>th</sup> May, 2017, 16<sup>th</sup> August, 2017, 13<sup>th</sup> September, 2017, 13<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018.

### 4. Remuneration to Directors

The Company is having a Nomination and Remuneration Committee of the Board of Directors of the Company to approve the remuneration of the Managing Director(s), Whole-time Director(s), Key Managerial Personnel and Senior Management of the Company.

The names and categories of the Chairman and members of the Nomination and Remuneration Committee and their attendance at the meetings during the financial year under review are given below:

Name	Designation	Category	Attendance during 2017-18 (1.4.2017 to 31.3.2018)
Dr. A.K. Kundra, IAS (Retd.)	Chairman	NE&I	1
Shri D.C. Mehandru	Member	NE&I	2
Shri J.S. Mann	Member	NE&I	2

Two meetings of the said Committee were held on 23.05.2017 and 13.11.2017 during the financial year 2017-18.

The remuneration of the Managing Director(s) and Whole-time Director(s) is also approved by the Board of Directors subject to the requisite approvals under the provisions of the Companies Act, 2013.

The following are the details of the remuneration paid to the Managing Directors in the financial year 2017-18:-

- Shri Amit Dhaka, IAS, Managing Director : Nil
- Shri Rajat Agarwal, IAS, Managing Director : Nil  
(w.e.f.22.11.2017 to 10.12.2017)

The Non-Executive Directors are entitled to Sitting Fee decided by the Board of Directors in accordance with the provisions of the Articles of Association of the Company. The Sitting Fee has been revised with effect from 1st February, 2018 to (a) Rs.10,000/- per meeting of the Board of Directors attended and (b) Rs.4,000/- per meeting of the Committee of the Board of Directors attended.

Dr. A.K. Kundra, IAS (Retd.), Director was holding 600 Equity Shares of the Company as on 31<sup>st</sup> March, 2018. None of the other Directors, was holding any Equity Shares of the Company as on 31<sup>st</sup> March, 2018.

The Performance Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated.

# Punjab Alkalies & Chemicals Limited

## 5. Share Transfer Committee

The Company is having a Share Transfer Committee of the Board of Directors to approve the transfer and transmission of shares, sub-division and consolidation of Share certificates, issue of duplicate share certificates and dematerialisation and rematerialisation of shares, etc., with the following Directors as its members.

- i. Managing Director (Chairman)
- ii. Dr. A.K. Kundra, IAS (Retd.)
- iii. Shri D.C. Mehandru

During the financial year 2017-18, twenty three meetings of the Share Transfer Committee were held. During the financial year 2017-18, 23 requests for transfer of physical mode shares and 150 requests for dematerialisation were received. Out of the same Nil requests for transfer of physical mode shares and Nil requests for dematerialisation were pending for approval as on 31st March, 2018.

The Share Transfers are normally processed within 12 days of receipt if the documents are found in order. The requests for dematerialisation are also processed within 12 days of receipt of physical share certificates if the documents are found in order.

## 6. Stakeholders Relationship Committee

The Company is having a Stakeholders Relationship Committee of the Board of Directors for looking into the redressing of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc., with the following Directors as its members:-

- i. Shri D.C. Mehandru (Chairman) - Non-Executive Independent Director
- ii. Dr. A.K. Kundra, IAS (Retd.) - Non-Executive Independent Director
- iii. Managing Director - Executive Non-Independent Director

CS Sugandha Kukreja, Company Secretary is the Compliance Officer.

During the financial year 2017-18, four meetings of the said Committee were held.

During the financial year under review, the total number of complaints/ queries received and replied to the satisfaction of shareholders was one. Outstanding complaints/ queries as on 31st March, 2018 were Nil. Complaints/ correspondence are usually dealt with within 10-12 days of receipt.

## 7. Risk Management Committee

The Company is having a Risk Management Committee to monitor and review the Risk Management Plan of the Company, with the following as its members:-

- i. Managing Director (Chairman) - Executive Non-Independent Director
- ii. Shri D.C. Mehandru - Non-Executive Independent Director
- iii. Shri J.S. Mann - Non-Executive Independent Director
- iv. Shri M.P.S. Rana - Executive Director (Materials & Finance)
- v. Shri Ajay Pal Singh - Chief Financial Officer

## 8. General Body Meetings

a) The particulars of the last three Annual General Meetings (AGMs) of the Company are:-

S. No.	AGM Particulars	Venue	Date	Time	Details of Special Resolutions passed
1.	40 <sup>th</sup> AGM in respect of the financial year 2014-15	Tagore Theatre, Sector 18, Chandigarh	29 <sup>th</sup> September, 2015	10.30 hours	According of approval to the Appointment of Managing Director.
2.	41 <sup>st</sup> AGM in respect of the financial year 2015-16	Tagore Theatre, Sector 18, Chandigarh	29 <sup>th</sup> September, 2016	10.00 hours	i. According of the consent to the Board of Directors to issue of 66,05,246 Equity Shares of Rs.10/- each at a price of Rs.22.95 per Equity Share on preferential basis to CDR Lenders

					<p>ii. According of the consent to the Board of Directors to create, offer, issue and allot 27,70,000 Secured Fully Convertible Debentures of Rs.100/- each to the CDR Lenders</p> <p>iii. According of the consent to the Board of Directors to issue 4,06,000 Secured Redeemable Non-Convertible Debentures or Non-Cumulative Debentures of Rs.100/- each to the CDR Lenders.</p> <p>iv. According of the consent to the Board of Directors for mortgaging/ charging of all the moveable and immoveable properties of the Company in favour of the Debenture holders and/or Debenture Trustees.</p>
3.	42 <sup>nd</sup> AGM in respect of the financial year 2016-17	Tagore Theatre, Sector 18, Chandigarh	27 <sup>th</sup> September, 2017	10.00 hours	No Special Resolution passed

- b) i) No extra ordinary General Meeting (s) were held and No Postal Ballot Notices were issued to the public during the year ended 31<sup>st</sup> March, 2018.
- ii) All the Resolutions including the Special Resolution were passed through e-voting and physical ballot paper and polling process conducted at Annual General Meeting in compliance with the provisions of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014.
- iii) During the year under review, no special resolution was passed through postal ballot.
- c) The Ballot and Remote E-Voting facilities are being provided to the Members in respect of the business to be transacted in the ensuing Annual General Meeting of the Company.

## 9. Disclosures

- a) There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- b) There has been no non-compliance by the Company or penalties or strictures imposed on the Company by any of the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.
- c) The Company has in place the Policy on Vigil Mechanism and Whistle Blower. The same has also been placed on the Company's Website [www.punjabalkalies.com](http://www.punjabalkalies.com).

## 10. Means of communication

The quarterly Financial Results and Annual Financial Results of the Company are being published in the newspapers i.e. Financial Express/Times of India and Punjabi Jagran and filed electronically on Listing Centre of BSE Limited in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are also available on the website of the Company [www.punjabalkalies.com](http://www.punjabalkalies.com). All periodical compliances / filing are also filed electronically on Listing Centre of BSE Limited.

The Management Discussion and Analysis Report for the financial year 2017-18 is a part of the Annual Report for the said financial year.

# Punjab Alkalies & Chemicals Limited

## 11. General Shareholders information

- a) Annual General Meeting : The 43<sup>rd</sup> Annual General Meeting will be held on Wednesday, 26th September, 2018 at 10.00 hours in Tagore Theatre, Sector 18, Chandigarh.
- b) Financial Calender : 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018
- c) Date of Book Closure : 20<sup>th</sup> September, 2018 to 26<sup>th</sup> September, 2018 (both days inclusive)
- d) Dividend Payment Date : N.A.
- e) Listing on Stock Exchanges : BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001
- f) Stock Code : BSE Limited : 506852  
ISIN No for Demat Mode : INE607A01014  
Shares
- g) Registrars and Share Transfer Agents : M/s. Beetal Financial & Computer Services Private Limited  
Unit: Punjab Alkalies & Chemicals Limited  
Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062  
Ph. : (011) - 29961281-83  
Fax: (011) - 29961284  
E-mail ID: beetalrta@gmail.com  
Website: www.beetalfinancial.com
- h) Share Transfer System : The Company is having a Share Transfer Committee of the Board of Directors to approve the transfer and transmission of shares, etc. The Share Transfers of Physical Mode Shares are normally processed within 12 days of receipt if the documents are found in order.
- i) Dematerialisation of Shares and liquidity : The trading in the Equity Shares of the Company on the Stock Exchanges is permitted only in Dematerialised Mode w.e.f. 24th July, 2000 due to SEBI's directive. The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for facilitating holding of Company's Shares in Dematerialised Mode. As on 31st March, 2018, 90.78% of the total shares have been dematerialised.
- j) Unclaimed Shares : The Company has opened a Depository Account (Demat Account) in the name and style of 'Unclaimed Shares Suspense Account of Punjab Alkalies & Chemicals Limited' with Punjab National Bank (Depository Participant of National Securities Depository Limited (NSDL)), Sector 17-B, Chandigarh for the purpose of complying with the provisions of the Revised Clause 5A of the Listing Agreement with the BSE Limited.
- k) Outstanding GDRs/ ADRs/ Warrants or Convertible instruments, conversion date and likely impact on equity. : Nil
- l) Plant Location : Nangal-Una Road,  
Naya Nangal,  
Distt. Ropar (Punjab) – 140 126.
- m) Address for Correspondence : Punjab Alkalies & Chemicals Limited,  
S.C.O. 125-127,  
Sector 17-B,  
Chandigarh-160 017.  
Ph. : (0172) – 4072500-01  
Fax : (0172) – 2704797.  
Website : www.punjabalkalies.com  
CIN: L24119CH1975PLC003607
- n) E-mail ID for Investors' Complaints/Queries : secretarial@punjabalkalies.com

### o) Market Price Data :

High/Low during each month of 2017-18 (1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018) on the BSE Limited:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2017	18.00	14.63	October, 2017	32.20	16.25
May, 2017	21.00	15.55	November, 2017	35.20	28.50
June, 2017	27.40	16.30	December, 2017	31.40	27.15
July, 2017	24.35	19.85	January, 2018	36.75	21.05
August, 2017	21.60	15.00	February, 2018	25.35	20.60
September, 2017	18.90	15.40	March, 2018	38.00	26.60



p) Distribution of Shareholding as on 31<sup>st</sup> March, 2018:

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	19969	88.91	2875031	10.59
501 - 1000	1325	5.90	1090378	4.02
1001 - 2000	541	2.41	855976	3.15
2001 - 3000	186	0.83	489322	1.80
3001 - 4000	88	0.39	319340	1.18
4001 - 5000	86	0.38	411078	1.51
5001-10000	117	0.52	908034	3.35
10001 & above	149	0.66	20191637	74.40
Total	22461	100	27140796	100.00

q) Categories of Shareholding as on 31<sup>st</sup> March, 2018

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Promoters	1	9090000	33.49
Mutual Funds & UTI	10	11700	0.04
Banks /Financial Institution	13	123303	0.45
Insurance Companies	1	493323	1.82
Central/State Govt	-	-	-
NRIs/OCBs/FIIs	517	597033	2.20
Corporate Bodies	1007	1987279	7.32
Indian Public	20601	13924636	51.31
Others	311	913522	3.37
Total	22461	27140796	100.00

For and on behalf of the Board

Sd/-  
(VINI MAHAJAN)  
Chairperson

Place : Chandigarh  
Date : August 14, 2018

**Chief Executive Officer's Declaration regarding the Code of Conduct for Directors and Senior Management Personnel.**

The Board of Directors of the Company had approved the Code of Conduct for Directors and Senior Management Personnel of the Company.

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2018.

Place : Chandigarh  
Date : August 14, 2018

Sd/-  
(AMIT DHAKA)  
Managing Director  
Din: 007156656

**Auditors' Certificate on Compliance with the Corporate Governance as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Members of Punjab Alkalies & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Punjab Alkalies & Chemicals Limited, for the financial year ended on 31<sup>st</sup> March, 2018, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N

Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

Place: Chandigarh  
Date : August 14, 2018

# Punjab Alkalies & Chemicals Limited

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
PUNJAB ALKALIES & CHEMICALS LIMITED

### Report on the Ind AS Financial Statements:

1. We have audited the accompanying Ind AS financial statements of Punjab Alkalies & Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility:

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.
4. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements:

7. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

8. As required by section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss statement including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors of the company is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 24, 34 and 36 to the Ind AS financial statements;
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii) There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2018.

**Other Matter**

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS, included in these Ind AS financial statements, have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated May 24, 2017 expressed an unmodified opinion.

Place of Signature : Chandigarh  
Date : May 28, 2018

For HARI S. & ASSOCIATES  
Chartered Accountants  
ICAI Firm Registration No. 007709N  
Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

# Punjab Alkalies & Chemicals Limited

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexures referred to in Paragraph 7 of The Auditor's Report of even date to the Shareholders of PUNJAB ALKALIES & CHEMICALS LIMITED on the Accounts for the year ended 31st March, 2018.

- (i)
  - a) The Company has maintained proper records showing full particulars, including the quantitative details and situation of Fixed Assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii)
  - a) The stock of finished goods, stores, spare parts and raw material lying in the factory have been physically verified by the management during /at the year-end. In our opinion and according to information and explanations given to us the frequency of physical verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of the physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us the Company is maintaining proper records of its inventories and no material discrepancies were noticed on such verification.
  - d) Discrepancies noticed on physical verification of inventory were not material and have been adequately dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 of the Act and the rules framed there-under.
- (vi) We have broadly reviewed the books of account as required to be maintained by the Company under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and the records have been made and maintained.
- (vii)
  - a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, Goods & Services Tax, cess and other statutory dues have generally been regularly deposited with appropriate authorities though there has been a slight delay in a few cases.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

c) Following dues are not deposited on account of disputes pending at various forums:

Name of the Statute		Nature of Dues	Amount in Lakhs	Period to which amount relates	Forum where dispute is pending
Central Act, 1944	Excise	Excise Duty & Penalty	76.93	July, 14 to Feb'15, March'15 to Dec'15, Jan'14 to June'14	Commissioner (Appeals), Chandigarh
Central Act, 1944	Excise	Excise Duty & Penalty	60.17	2004-2008	CESTAT
Central Act, 1944	Excise	Excise Duty & Penalty	5.49	April'08 to June'08	CESTAT
Finance Act, 1994		Service Tax Penalty	4.66	April'11 to Dec'11	CESTAT
Finance Act, 1994		Service Tax Penalty	116.09	Feb'07 to March'11	CESTAT
Central Excise Act, 1944		Excise Duty & Penalty	3.11	Jan'12 to Nov'12	CESTAT
Central Excise Act, 1944		Excise Duty & Penalty	5.32	July'11 to Dec'11	CESTAT
Finance Act, 1994		Service Tax Penalty	25.79	Jan'12 to Nov'12	CESTAT
Finance Act, 1994		Service Tax Penalty	35.85	July'13 to Dec'13, Dec'12 to June'13	CESTAT
Central Act, 1944	Excise	Excise Duty	19.78	01 Jan'16 to 31 <sup>st</sup> March'17	Commissioner (Appeals)
Central Act, 1944	Excise	Excise Duty	5.26	April'17 to June'17	Supdt, CGST Range, Nangal
Pb. Value Tax, 2005	Added	Entry Tax	2.35	2009-10	VAT Tribunal, Chandigarh
Pb. Value Tax, 2005	Added	Entry Tax	23.73	2012-13	Dy. Excise & Taxation Commissioner (Appeal), Rupnagar

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to the banks during the year.
- (ix) According to the information and explanations given to us, No Term Loan has been received by the company during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares and partly convertible debentures but has issued on private placement 2769200 fully convertible debentures having face value Rs 100/- each, on the terms and conditions as detailed in Note no. 18 to the financial statements.

Further the company has complied with the requirements of Section 42 of the Companies Act, 2013.

## Punjab Alkalies & Chemicals Limited

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- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place of Signature : Chandigarh  
Date: May 28, 2018

For HARI S. & ASSOCIATES  
Chartered Accountants  
ICAI Firm Registration No. 007709N

Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

## **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Punjab Alkalies & Chemicals Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become



## Punjab Alkalies & Chemicals Limited

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inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For HARI S. & ASSOCIATES  
Chartered Accountants  
ICAI Firm Registration No. 007709N

Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

Place of Signature : Chandigarh  
Date : May 28, 2018





# BALANCE SHEET as at 31st March, 2018

(Rs. in Lacs)

Particulars	Note No.	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>ASSETS</b>				
<b>Non Current Assets</b>				
a) Property, Plant & Equipment	3	10570.16	11091.99	11445.30
b) Capital Work in Progress	4	487.39	506.52	477.21
c) Other Intangible Assets	3	16.58	11.91	-
d) Financial Assets				
(i) Trade Receivable	5	14.49	109.01	76.40
(ii) Others	6	282.61	272.15	319.67
e) Deferred Tax Assets (Net)	7	1028.96	1028.96	1028.96
f) Other Non Current Assets	8	826.52	1152.36	740.09
Sub Total: Non Current Assets		13226.71	14172.90	14087.63
<b>Current Assets</b>				
a) Inventories	9	887.64	815.11	767.05
b) Financial Assets				
(i) Trade Receivable	10	490.11	451.80	458.60
(ii) Cash and Cash equivalent	11	5383.52	1842.81	2050.03
(iii) Other Bank Balances other than (ii) above	12	79.27	33.11	72.89
(iv) Loans	13	4.78	25.19	4.53
(v) Others	14	144.19	55.22	162.08
c) Other Current Assets	15	862.96	1605.52	1654.49
Sub Total: Current Assets		7852.47	4828.76	5169.67
<b>Total : Assets</b>		<b>21079.18</b>	<b>19001.66</b>	<b>19257.30</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	16	2710.48	2710.48	2049.96
b) Other Equity	17	936.27	1185.32	3269.57
Sub Total : Equity		3646.75	3895.80	5319.53
<b>LIABILITIES</b>				
<b>Non Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	18	2725.22	2769.57	4285.47
b) Provisions	19	1114.77	1321.82	1070.19
Sub Total: Non Current Liabilities		3839.99	4091.39	5355.66
<b>Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	20	281.23	249.18	149.21
(ii) Trade Payables	21	2073.65	2595.92	2922.35
b) Other Current Liabilities	22	11178.68	8140.65	5495.50
c) Provisions	23	58.88	28.72	15.05
Sub Total: Current Liabilities		13592.44	11014.47	8582.11
<b>Total : Equity and Liabilities</b>		<b>21079.18</b>	<b>19001.66</b>	<b>19257.30</b>
Significant Accounting Policies	2			
Notes forming an integral part of the Financial Statements	1 to 45			

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date

For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N

Sd/-  
(KAPIL VOHRA)  
Partner

Membership No. 523735

Place: Chandigarh  
Date : May 28, 2018

# Punjab Alkalies & Chemicals Limited

## PROFIT AND LOSS STATEMENT for the year ended 31st March, 2018

(Rs. in Lacs)

Particulars	Note No.	2017-18.	2016-17
<b>INCOME</b>			
Revenue from Operations	25	34201.58	30277.42
Other Income	25	707.42	270.82
<b>Total Revenue</b>		<b>34909.00</b>	<b>30548.24</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	26	4739.60	4262.83
Changes in Inventories of Finished Goods, Work in progress and stock in Trade	27	3.90	42.07
Excise Duty	25	838.06	3467.20
Manufacturing Expenses	28	19638.09	18972.82
Employees benefits expense	29	2885.35	2954.82
Finance Costs	30	2029.37	350.28
Administration Expenses	31	806.06	810.13
Selling Expenses	32	2415.70	1311.40
Depreciation and Amortisation Expense	3 & 8	911.75	808.79
<b>Total Expenses</b>		<b>34267.88</b>	<b>32980.34</b>
<b>Profit /(Loss) before exceptional item</b>		<b>641.12</b>	<b>(2432.10)</b>
<b>Amount written off exceptional item</b>	39	<b>1123.32</b>	<b>-</b>
<b>Profit /(Loss) after exceptional item</b>		<b>(482.20)</b>	<b>(2432.10)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit /(Loss) for the year after Tax</b>		<b>(482.20)</b>	<b>(2432.10)</b>
<b>Other Comprehensive Income</b>		<b>216.78</b>	<b>(181.82)</b>
<b>Total Comprehensive Income for the year</b>		<b>(265.42)</b>	<b>(2613.92)</b>
<b>Earnings /(Loss) per Equity Share of Rs.10/- each:</b>			
Basic (in Rs.)		<b>(1.78)</b>	<b>(10.41)</b>
Diluted (in Rs.)		<b>(1.78)</b>	<b>(10.41)</b>
Significant Accounting Policies	2		
Notes forming an integral part of the Financial Statements	1 to 45		

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date

For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N

Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

Place: Chandigarh  
Date: May 28, 2018



# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. in lacs)

Particulars	2017-18	2016-17
<b>A) Cash Flow From Operating Activities:</b>		
Profit /(Loss) before tax	(482.20)	(2432.10)
Adjustments for:		
Depreciation and Amortisation Expenses	567.45	513.42
Miscellaneous Expenses Written Off	344.30	295.37
Provision for Gratuity	119.67	(181.82)
Amount Transferred from WIP to Stores Consumed	114.43	-
(Gain)/loss on sale of Fixed Assets	(74.35)	-
Interest Income	(103.51)	(102.84)
Finance Cost	317.52	-
Investment Incentive Written back	-	(2.24)
<b>Operating Profit Before Working Capital Change</b>	<b>803.31</b>	<b>(1910.21)</b>
Adjustment for:		
(Increase)/Decrease in Trade receivables	56.21	(25.81)
(Increase)/Decrease in Other Current Assets	748.00	61.57
(Increase)/Decrease in Inventories	(72.53)	(48.06)
(Increase)/Decrease in Loan & Advances	(68.56)	86.20
(Decrease)/Increase in Trade Payable	(522.27)	(326.43)
(Decrease)/Increase in Short Term Borrowings	32.05	117.86
(Decrease)/Increase in Other Current Liabilities	3515.83	2645.15
(Decrease)/Increase in Short Term Provisions	(176.89)	265.30
	<b>3511.84</b>	<b>2775.78</b>
<b>Cash Generated From Operations</b>	<b>4315.15</b>	<b>865.57</b>
Direct Taxes Paid	(5.44)	(12.60)
Cash Flow Before Extraordinary Items	<b>4309.71</b>	<b>852.97</b>
Extraordinary Items	-	-
<b>Net Cash From Operating Activities</b>	<b>4309.71</b>	<b>852.97</b>
<b>B) Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(48.86)	(37.97)
Expenditure on work in progress	(443.29)	(486.83)
Sale / Adjustment of Fixed Assets	84.41	-
Interest Received	103.51	102.84
Long Term Advances Given	(10.46)	47.52
Purchase of Membranes and Recoating of Pans	(18.46)	(707.64)
<b>Net Cash Used in Investing Activities</b>	<b>(333.15)</b>	<b>(1082.08)</b>
<b>Cash Flow from Financing Activities:</b>		
Proceeds from Long Term Borrowings	405.63	-
Repayment to Financial Institution and Bank	-	(1515.90)
Interest Paid	(795.32)	-
Proceeds from issue of share capital	-	660.52
Proceeds from share premium account	-	855.38
Payment towards Short Term Borrowings (Working Capital)	-	(17.89)
<b>Net Cash Flow from Investing Activities</b>	<b>(389.69)</b>	<b>(17.89)</b>
Net Increase in Cash And Cash Equivalents	<b>3586.87</b>	<b>(247.00)</b>
Cash And Cash Equivalents at the beginning of year	<b>1875.92</b>	<b>2122.92</b>
Cash And Cash Equivalents at the end of year	<b>5462.79</b>	<b>1875.92</b>

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date  
For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N

Place: Chandigarh  
Date: May 28, 2018

Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

# Punjab Alkalies & Chemicals Limited

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In lacs)

### A. Equity Share Capital

Balance as at 1.4.2017	2710.48	Changes in equity share capital during the year	0.00	Balance as at 31.3.2018	2710.48
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(Rs. In lacs)

### B. Other Equity

	Reserves and Surplus				Other Comprehensive Income (OCI)		Total
	Capital Reserve	Securities premium Reserve	Debt Instruments (Differential discounted value of Debentures)	Retained Earnings	Debt instrument through OCI (Debentures)	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2017	6765.45	4443.13	-	(9832.45)	-	(190.81)	1185.32
Total Comprehensive Income for the year	-	-	-	(482.20)	97.11	119.67	(265.42)
Depreciation net of adj.	(304.75)	-	-	-	-	-	(304.75)
Other Reserves	-	-	352.87	-	-	-	352.87
Adj. in respect of Assets sold/discarded	(31.75)	-	-	-	-	-	(31.75)
Balance as at 31.3.2018	6428.95	4443.13	352.87	(10314.65)	97.11	(71.14)	936.27

### Debenture Redemption Reserve:

Since the Company has incurred net loss during the financial year 2017-18, no Debenture Redemption Reserve has been created in the books for the said financial year read with Section 71(4) of the Companies Act, 2013.

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date

For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N

Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

Place: Chandigarh  
Date: May 28, 2018



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. In lacs)

## A. Equity Share Capital

Balance as at 1.4.2016	2049.96	Changes in equity share capital during the year	660.52	Balance as at 31.3.2017	2710.48
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(Rs. In lacs)

## B. Other Equity

	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Securities premium Reserve	Debt Instruments (Differential discounted value of Debentures)	Retained Earnings	Investment Incentive	Debt instrument through OCI (Debentures)	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2016	7088.92	3587.75	-	(7400.35)	2.24	-	(8.99)	3269.57
Total Comprehensive Income for the year	-	-	-	(2432.10)	-	-	(181.82)	(2613.92)
Depreciation net of adj.	(323.47)	-	-	-	-	-	-	(323.47)
Amount Written back	-	-	-	-	(2.24)	-	-	(2.24)
Any other change (to be specified)	-	855.38	-	-	-	-	-	855.38
Balance as at 31.3.2017	6765.45	4443.13	-	(9832.45)	-	-	(190.81)	1185.32

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date

For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N

Place: Chandigarh  
Date: May 28, 2018

Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

# Punjab Alkalies & Chemicals Limited

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### Note No.1

#### BASIS OF PREPARATION OF FINANCIAL STATEMENTS

##### (a) BASIS OF PREPARATION AND COMPLIANCE WITH IND AS

- (i) For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.
- (ii) The Company had prepared a separate set of financial statements for the year ended March 31, 2017 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company on May 24, 2017. The management of the Company has complied the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective date of approval of the Audited Previous GAAP Financial Statements.
- (iii) The Company has followed the provisions of Ind AS 101- "First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017 and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

### Note No. 2

#### Significant Accounting Policies

##### (a) Accounting Convention

The financial statements are prepared under the historical cost convention and on the basis of going concern. Accumulated losses have resulted in erosion of net worth of the Company. The financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, financial institutions and banks. At the request of Company CDR Empowered Group has sanctioned conversion of outstanding loan amount of Rs.4286 lacs into 6605246 Equity Shares as per SEBI Formula i.e. @ Rs.22.95 (Face Value Rs.10/- per share) and Fully Convertible Debentures (FCD) amounting to Rs.2770 lacs. It was further provided that the Company will issue Non-Convertible Debentures (NCD) to CDR Lenders to the extent of Mark to Market Loss in respect of fresh Equity issued by PACL. These FCDs and NCDs shall bear coupon rate equivalent to IDBI base rate as on 30th June, 2015 i.e. 10% p.a. CDR EG further approved waiver of interest on outstanding O.T.S. amount during period April to June, 2015. The Company has received sanction from all the financial institutions and banks. The Company has already issued Equity Shares and Debentures (NCDs & FCDs) to all the lenders as per the CDR sanction. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

The Company has discounted Debentures in accordance with the effective interest method at the rate of 14% p.a. based on IRR and recognize the balances arrived as per the method in Other Reserve account and in long term borrowings. The Company has also recognized notional interest arrived in Other Comprehensive Income account.

##### (b) Property, Plant & Equipment

Tangible Assets are stated at values determined by the valuer less depreciation. Machinery Spares have been capitalised as and when issued. Direct costs are capitalised till the assets are ready to be put to use. These costs also includes financing cost (including exchange rate fluctuations) relating to specific

borrowing attributable to Tangible Assets. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Profit and Loss Statement.

The Company has identified spares having value (landed cost) of Rs. 10000/- & above and having life of more than one year in line with the Ind-AS 16. These spares are transferred to capital work in progress account and are capitalized as and when issued. The full value of these spares is being depreciated over their useful life. On 1.4.2016, Capital spares amounting 321.72 lacs were transferred from Stores and Spares to Capital work in progress account.

**(c) Intangible Assets**

Intangible Assets acquired are measured on initial recognition at cost. These assets are being amortized over a period of five years.

**(d) Depreciation**

The Company has charged depreciation on Fixed Assets as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013. The life of the components identified by Company is not different than the plant and machinery to which these components relate. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. Depreciation on Foreign Exchange adjustments arising from foreign exchange variations is charged on residual useful life of asset. The intangible assets are being amortised over a period of 5 years.

**(e) Valuation of Inventories**

The items of inventories are valued at lower of cost or estimated net realisable value. Cost of raw material, building material and stores & spares is determined (net of cenvat) at monthly weighted average basis. Material in transit is taken at cost price. Stock in process is valued at cost of raw material added. Cost of finished goods includes material cost and appropriate portion of production and administrative overheads and excludes interest and marketing expenses. The value of finished goods stock is exclusive of GST. Scrap, if any, at the year end does not form part of closing inventory.

**(f) Revenue Recognition**

Sale of goods is recognised at the point of dispatch to the Customer. Sales include excise duty applicable but does not include GST.

**(g) Foreign Exchange Transactions**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss statement except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

**(h) Employee Benefits**

**i) Defined Contribution Plan**

The Company's Contribution paid/payable during the year towards Provident Fund Scheme and Superannuation Scheme are recognised as expense in the Profit & Loss Statement.

**ii) Defined Benefit Plan**

The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial valuation has been done in accordance with Ind-AS 19 and the Company has reinstated the employee benefit liabilities on 1<sup>st</sup> April, 2016 and for the year 2016-17. Actuarial gains and losses due to remeasurement in the present value of defined benefit obligations resulting from experience are recognized in other comprehensive income. The Company has also reinstated the provision for gratuity due to revaluation of defined benefit in accordance with Ind-AS 19.

**iii) Gratuity liability has been covered by master policy of Life Insurance Corporation of India under irrevocable trust.**

**(i) Earnings Per Share**

The Basic Earnings/ (Loss) per Share is computed on the basis of weighted average number of Equity Shares outstanding during the financial year. The Diluted Earnings/(Loss) per Share is computed on the

## Punjab Alkalies & Chemicals Limited

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basis of weighted average number of Equity Shares outstanding during the year and the Potential Equity Shares.

**(j) Government Grants**

Investment Incentive from State Government has been credited to Investment Incentive Account and is being recognised as income on a systematic and rational basis over the useful life of the assets, in the proportion in which the depreciation on these assets is charged.

**(k) Taxes on Income**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

However, in view of the loss during the financial year 2017 - 18, the Company has not recognised the Deferred Tax Assets in respect of the loss during the financial year 2017-18.

**(l) Accounting policies not specifically referred above are consistent with generally accepted accounting practices.**




**Note No. 3**
**PROPERTY, PLANT. & EQUIPMENT**

TANGIBLE ASSETS	GROSS BLOCK (At Cost)				
	As at 1.4.2016	Adjustments from WIP	Additions	Sales/ Adjustments	As at 31.3.2017
Land & Site Development	3095.11	-	-	-	3095.11
Building	1029.40	-	-	-	1029.40
Factory Building	2487.25	-	-	-	2487.25
Tube well	40.74	-	-	-	40.74
Plant & Machinery	27317.67	443.14	28.45	-	27789.26
Electric Installation	19.71	-	-	-	19.71
Railway Siding	189.81	-	-	-	189.81
Lab Instruments	25.43	0.36	1.62	-	27.41
Office Equipment	85.55	-	2.16	-	87.71
Furniture, Fixtures	67.14	-	2.64	-	69.78
Computers	115.16	-	3.10	-	118.26
Vehicles	158.97	-	-	-	158.97
<b>Total</b>	<b>34631.94</b>	<b>443.50</b>	<b>37.97</b>	<b>-</b>	<b>35113.41</b>

TANGIBLE ASSETS	GROSS BLOCK (At Cost)				
	As at 1.4.2017	Transferred from WIP	Additions	Sales/ Adjustments	As at 31.3.2018
Land & Site Development	3095.11	-	-	-	3095.11
Building	1029.40	-	-	-	1029.40
Factory Building	2487.25	-	-	-	2487.25
Tube well	40.74	-	-	-	40.74
Plant & Machinery	27789.26	347.99	18.68	113.78	28042.15
Electric Installation	19.71	-	-	-	19.71
Railway Siding	189.81	-	-	-	189.81
Lab Instruments	27.41	-	-	-	27.41
Office Equipment	87.71	-	6.32	-	94.03
Furniture, Fixtures	69.78	-	1.60	-	71.38
Computers	118.26	-	6.01	-	124.27
Vehicles	158.97	-	8.57	1.42	166.12
<b>Total</b>	<b>35113.41</b>	<b>347.99</b>	<b>41.18</b>	<b>115.20</b>	<b>35387.38</b>
Previous year	34631.94	443.50	37.97	-	35113.41

**INTANGIBLE**

PARTICULARS	GROSS BLOCK (At Cost)				
	As at 1.4.2016	Adjustments from WIP	Additions	Sales/ Adjustments	As at 31.3.2017
ERP Software	-	14.02	-	-	14.02
<b>Total</b>	<b>-</b>	<b>14.02</b>	<b>-</b>	<b>-</b>	<b>14.02</b>

PARTICULARS	GROSS BLOCK (At Cost)				
	As at 1.4.2017	Adjustments from WIP	Additions	Sales/ Adjustments	As at 31.3.2018
ERP Software	14.02	-	7.68	-	21.70
<b>Total</b>	<b>14.02</b>	<b>-</b>	<b>7.68</b>	<b>-</b>	<b>21.70</b>
Previous year	-	14.02	-	-	14.02

- 3.1 Depreciation for the year 2017-18 includes Rs.321.12 lakhs (Previous year Rs.323.47 lakhs) as depreciation arising on revaluation of Fixed Assets, which has been adjusted against Revaluation Reserve and has not been charged to the Profit and Loss Statement.
- 3.2 Fixed Assets are stated at values determined by the valuer less depreciation. Machinery Spares have been capitalised as and when procured. Direct costs are capitalised till the assets are ready to be put to use. These costs also includes financing cost (including exchange rate fluctuations) relating to specific borrowing attributable to Fixed Assets. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Profit and Loss Statement.
- 3.3 The Company has charged depreciation on Fixed Assets as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013. The life of the components identified by Company is not different than the plant and machinery to which these components relate. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. Depreciation on Foreign Exchange adjustments arising from foreign exchange variations is charged on residual useful life of assets.
- 3.4 The Company had revalued its Fixed Assets (other than the 100 TPD Membrane Cell Plant Power Line) as on 31st March,

# Punjab Alkalies & Chemicals Limited

(Rs. in Lacs)

DEPRECIATION				NET BLOCK	
Upto 31.3.2016	For 2016-17	Adjustments	Upto 31.3.2017	As at 31.3.2017	As at 1.4.2016
-	-	-	-	3095.11	3095.11
330.03	15.71	-	345.74	683.66	699.37
1500.26	68.68	8.10	1560.84	926.41	986.99
28.24	1.18	(8.10)	37.52	3.22	12.50
20816.20	688.83	(27.53)	21532.56	6256.70	6501.47
13.03	1.41	-	14.44	5.27	6.68
103.67	10.06	-	113.73	76.08	86.14
21.38	1.09	-	22.47	4.94	4.05
77.29	4.39	-	81.68	6.03	8.26
62.47	0.99	-	63.46	6.32	4.67
106.29	3.68	-	109.97	8.29	8.87
127.78	11.23	-	139.01	19.96	31.19
23186.64	807.25	(27.53)	24021.42	11091.99	11445.30

(Rs. in Lacs)

DEPRECIATION				NET BLOCK	
Upto 31.3.2017	For 2017-18	Adjustments	Upto 31.3.2018	As at 31.3.2018	As at 31.3.2017
-	-	-	-	3095.11	3095.11
345.74	15.71	-	361.45	667.95	683.66
1560.84	68.03	-	1628.87	858.38	926.41
37.52	1.18	-	38.70	2.04	3.22
21532.56	773.09	88.41	22217.24	5824.91	6256.70
14.44	1.41	-	15.85	3.86	5.27
113.73	10.05	-	123.78	66.03	76.08
22.47	1.28	-	23.75	3.66	4.94
81.68	1.65	-	83.33	10.70	6.03
63.46	0.84	-	64.30	7.08	6.32
109.97	2.37	-	112.34	11.93	8.29
139.01	9.95	1.35	147.61	18.51	19.96
24021.42	885.56	89.76	24817.22	10570.16	11091.99
23186.64	807.25	(27.53)	24021.42	11091.99	11445.30

## ASSETS

(Rs. in Lacs)

DEPRECIATION				NET BLOCK	
Upto 31.3.2016	For 2016-17	Adjustments	Upto 31.3.2017	As at 31.3.2017	As at 31.3.2016
-	2.11	-	2.11	11.91	-
-	2.11	-	2.11	11.91	-

## ASSETS

(Rs. in Lacs)

DEPRECIATION				NET BLOCK	
Upto 31.3.2017	For 2017-18		Upto 31.3.2018	As at 31.3.2018	As at 31.3.2017
2.11	3.01	-	5.12	16.58	11.91
2.11	3.01	-	5.12	16.58	11.91
-	2.11	-	2.11	11.91	-

2004 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 27th October, 2005 and the revalued figures were incorporated in the accounts in the financial year 2005-06. Accordingly a sum of Rs.6243.16 lacs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.

- 3.5 The Company had revalued its 100 TPD Membrane Cell Plant Power Line as on 31st March, 2006 on the basis of existing use value by an independent professional valuer. The revaluation of the asset had been approved by the Board of Directors in its meeting held on 29th October, 2007 and the revalued figure was incorporated in the accounts in the financial year 2007-08. Accordingly, a sum of Rs.27.78 lacs being the surplus of the value of the asset over the written down value, had been credited to the Revaluation Reserve.
- 3.6 The Company had revalued its Fixed Assets as on 31st March, 2009 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 29th January, 2010 and the revalued figures were incorporated in the accounts in the financial year 2009-10. Accordingly a sum of Rs.4819.99 lacs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.



**Note No. 4**

**CAPITAL WORK IN PROGRESS**

(Rs. in Lacs)

Particulars	Cost as at 1.4.2016	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.3.2017
Buildings	2.79	-	-	-	2.79
Plant & Machinery	462.52	484.71	443.50	-	503.73
ERP Software	11.90	2.12	14.02	-	-
Total	477.21	486.83	457.52	-	506.52

(Rs. in Lacs)

Particulars	Cost as at 1.4.2017	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.3.2018
Buildings	2.79	-	-	-	2.79
Plant & Machinery	503.73	441.04	347.99	114.43	482.35
ERP Software	-	2.25	-	-	2.25
Total	506.52	443.29	347.99	114.43	487.39
Previous year	477.21	486.83	457.52	-	506.52

**Note No. 5**

**NON CURRENT-FINANCIAL ASSETS-TRADE RECEIVABLES**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Considered Good except where Provided for			
Secured	5.10	20.60	7.10
Unsecured	723.37	727.39	633.28
	728.47	747.99	640.38
Less: Provision for Doubtful Depts	713.98	638.98	563.98
	14.49	109.01	76.40

**Note No. 6**

**NON CURRENT - FINANCIAL ASSETS - OTHERS**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Long Term Loans and Advances</b>			
<b>(Unsecured, Considered Goods unless otherwise stated)</b>			
Security Deposits	282.61	272.15	319.67
	282.61	272.15	319.67

**Note No. 7**

**DEFERRED TAX ASSETS**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Opening Balance	1028.96	1028.96	1028.96
Less Deferred Tax Liabilities (net) during the year	-	-	-
Balance	1028.96	1028.96	1028.96

7.1 In view of the loss during the financial year 2017-18, the Company has recognized the Deferred Tax Assets in Respect of the loss during the financial year 2017-18.

# Punjab Alkalies & Chemicals Limited

## Note No. 8 OTHER NON CURRENT ASSETS (Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Deferred Expenditure			
As per last balance sheet	1152.36	740.09	710.00
Addition during the year	18.46	707.64	278.28
	<u>1170.82</u>	<u>1447.73</u>	<u>988.28</u>
Less: Amortised during the year	344.30	295.37	248.19
Closing Balance	<u>826.52</u>	<u>1152.36</u>	<u>740.09</u>
	<u>826.52</u>	<u>1152.36</u>	<u>740.09</u>

8.1 The cost of membranes is being amortised over a period of three years. The cost of recoating of pans of electrolyzers is being amortised over a period of eight years.

## Note No. 9 INVENTORIES (Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Raw Materials	294.54	344.70	215.20
Stock in process	39.74	38.05	37.23
Finished goods	147.61	153.20	196.09
Materials in transit	-	4.88	-
Stores, Spares consumables	405.75	274.28	318.53
	<u>887.64</u>	<u>815.11</u>	<u>767.05</u>

## Note No. 10 CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES (Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Considered Goods except where provided for:			
Secured	53.12	5.84	33.61
Unsecured	436.99	445.96	424.99
	<u>490.11</u>	<u>451.80</u>	<u>458.60</u>

## Note No. 11 CURRENT - FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Cash in hand	2.04	2.02	2.33
Cheques in hand	255.98	65.25	193.46
Balance with Scheduled Banks			
Current Account	756.29	544.06	211.35
Cash Credit Account	12.34	19.86	-
Fixed Deposits (Including margin money for Letters of Credit and Bank Guarantees)	4356.87	1211.62	1642.89
	<u>5125.50</u>	<u>1775.54</u>	<u>1854.24</u>
	<u>5383.52</u>	<u>1842.81</u>	<u>2050.03</u>

## Note No. 12 CURRENT - FINANCIAL ASSETS - OTHERS BANK BALANCES (Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Bank Deposits with original maturity greater than 3 months but less than 12 months	79.27	33.11	72.89
	<u>79.27</u>	<u>33.11</u>	<u>72.89</u>

12.1 Fixed Deposit issued in favour of third party in the ordinary course of business.


**Note No. 13**
**CURRENT - FINANCIAL ASSETS - LOAN**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Unsecured, Considered goods Loan/ Advances to employees	<u>4.78</u> <u>4.78</u>	<u>25.19</u> <u>25.19</u>	<u>4.53</u> <u>4.53</u>

**Note No. 14**
**CURRENT - FINANCIAL ASSETS-OTHERS**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Unsecured, Considered goods unless otherwise stated			
Suppliers/Service Providers(Including capital goods for Rs.12.89 lacs)	<b>643.30</b>	530.18	613.52
Less: Provision for doubtful debts (Others)	<u>499.11</u> <u>144.19</u>	<u>474.96</u> <u>55.22</u>	<u>451.44</u> <u>162.08</u>

14.1 The final adjustment of (a) expenses on common facilities with Punjab National Fertilizers & Chemicals Limited (under liquidation) for Railway Siding, Hostel Building, Power Link Line, Land, Tube well, Staff Housing Colony and Storm Water Drain etc., and (b) other expenses aggregating to Rs.485.10 lacs incurred on behalf of Punjab National Fertilizers & Chemicals Limited shall be made as per the settlement by the Official Liquidator of Punjab National Fertilizers & Chemicals Limited. However, an amount of Rs.24.15 lacs (previous year Rs.23.52 lacs) has been provided as doubtful debt during the current year.

**Note No. 15**
**OTHER CURRENT ASSETS**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
Balance with Central Excise	-	16.54	38.24
Prepaid expenses	<b>53.93</b>	39.59	32.59
Excise Claim, recoverable	<b>14.73</b>	15.90	12.90
Income Tax recoverable	<b>52.29</b>	19.81	22.20
Insurance Claim recoverable	<b>374.28</b>	19.95	149.22
Other recoverable	<b>349.25</b>	331.88	363.27
Power subsidy	-	0.26	0.26
Service tax claimable	-	1065.46	963.98
Cenvat claimable succeeding year	-	50.61	38.91
Income tax claimable	<b>10.41</b>	37.45	24.85
Advance against water charges	<b>8.07</b>	8.07	8.07
	<u>862.96</u>	<u>1605.52</u>	<u>1654.49</u>

**Note No. 16**
**EQUITY SHARE CAPITAL**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Authorised</b>			
400,00,000 Equity Shares of Rs. 10/- each (Previous year 400,00,000 Equity Shares)	<u>4000.00</u>	<u>4000.00</u>	<u>4000.00</u>
<b>Issued</b>			
271,43,146 Equity Shares of Rs. 10/- each (Previous year 271,43,146 Equity Shares) (2,05,37,900 Equity Shares as on 01.04.2016)	<u>2714.31</u>	<u>2714.31</u>	<u>2053.79</u>
<b>Subscribed and Paid Up</b>			
271,40,796 Equity Shares of Rs. 10/- each fully called up (Previous year 271,40,796 Equity Shares) (2,05,35,550 Equity Shares as on 01.04.2016)	<b>2714.08</b>	2714.08	2053.56
Less: Allotment Money unpaid	<u>3.60</u> <u>2710.48</u>	<u>3.60</u> <u>2710.48</u>	<u>3.60</u> <u>2049.96</u>

## Punjab Alkalies & Chemicals Limited

### 16.1 Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31.3.2018		As at 31.3.2017		As at 1.4.2016	
	No. of shares held	% age	No. of shares held	% age	No. of shares held	% age
Punjab State Industrial Development Corporation Limited (Promoter)	9090000	33.49	9090000	33.49	9090000	44.26
IDBI Bank Ltd.	-	-	4710034	17.35	-	-

### Note No. 17

#### OTHER EQUITY

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Capital Reserve</b>			
Land Subsidy	5.49	5.49	5.49
Shares Forfeited Reserve Account	7.03	7.03	7.03
Revaluation Reserve			
As per last balance sheet	6752.93	7076.40	7406.53
Less: Adjusted in respect of Assets sold/ discarded	31.75	-	12.40
Less: Depreciation (Net of adjustment)	304.75	323.47	317.73
	6416.43	6752.93	7076.40
<b>Securities Premium</b>			
As per last Balance Sheet	4443.13	3587.75	3587.75
Add: Additional during the year	-	855.38	-
	4443.13	4443.13	3587.75
<b>Investment Incentive</b>			
As per last Balance Sheet	-	2.24	5.22
Less: Written back during the period	-	2.24	2.98
			2.24
<b>Other Reserve</b>			
Differential discounted value of Debenture	352.87	-	-
<b>Other Comprehensive Income</b>			
As per last Balance Sheet	(190.81)	(8.99)	-
Add: Addition during the year	216.78	(181.82)	(8.99)
	25.97	(190.81)	(8.99)
<b>Profit and Loss Statement</b>			
As per last Balance Sheet	(9832.45)	(7400.35)	(5950.59)
Add: Transferred from Profit and Loss Statement	(482.20)	(2432.10)	(1449.76)
	(10314.65)	(9832.45)	(7400.35)
	936.27	1185.32	3269.57

17.1 Investment Incentive from State Govt. is being recognised as income on a systematic and rational basis over the useful life of the assets.

**NON CURRENT-FINANCIAL LIABILITIES-BORROWINGS**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Debentures</b>			
Secured Redeemable Non-Convertible Debentures of Rs. 100/- each			
NIL (Previous year 43,210)(1.4.2016-66850)0% Debentures (4th Series) - (Redeemed by issuing 10% Fully Convertible Debentures as approved by CDR Empowered Group)	-	43.21	66.85
NIL (Previous year 64,817)(1.4.2016-100286) 0% Debentures (5th Series) - (Redeemed by issuing 10% Fully Convertible Debentures as approved by CDR Empowered Group)	-	64.82	100.29
<b>Terms Loans (Secured)</b>			
<b>(a) From Scheduled Banks</b>			
Punjab National Bank (PNB)	-	123.18	190.91
Punjab & Sind Bank (PSB)	-	120.37	178.37
Funded Interest Term Loans	-	-	7.88
<b>(b) From Other Banks and Institutions</b>			
IDBI Bank Limited (IDBI)	-	1975.34	2811.03
IFCI Limited (IFCI)	-	343.78	488.16
Life Insurance Corporation of India (LIC)	-	98.87	131.07
Funded Interest Term Loans	-	-	310.91
<b>Debentures</b>			
<b>Secured Redeemable Non-Convertible Debentures of Rs.100/- each</b>			
IDBI Bank Limited – 2,90,000 (Previous Year Nil) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	<b>252.50</b>	-	-
IFCI Limited – 50,000 (Previous Year Nil) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	<b>43.53</b>	-	-
LIC of India – 30,000 (Previous Year Nil) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	<b>26.12</b>	-	-
PNB – 18,000 (Previous Year Nil) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	<b>15.67</b>	-	-
PSB – 18,000 (Previous Year Nil) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	<b>15.67</b>	-	-
<b>Secured Fully Convertible Debentures of Rs.100/- each</b>			
IDBI Bank Limited – 19,75,000 (Previous Year Nil) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	<b>1691.52</b>	-	-
IFCI Limited – 3,44,000 (Previous Year Nil) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	<b>294.62</b>	-	-
LIC of India – 2,07,000 (Previous Year Nil) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	<b>177.29</b>	-	-
PNB – 1,23,200 (Previous Year Nil) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	<b>105.52</b>	-	-
PSB – 1,20,000 (Previous Year Nil) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	<b>102.78</b>	-	-
	<b>2725.22</b>	<b>2769.57</b>	<b>4285.47</b>

- 18.1 The Fully Convertible Debentures (FCDs) shall be converted into Equity Shares of the Company on 1st July, 2020 at a price which shall be determined in accordance with SEBI ICDR Regulations, 2009 (as amended) and PACL shall have the first right of refusal for redemption before conversion of these FCDs into Equity Shares.
- 18.2 The Fully Convertible Debentures issued upon part conversion of their outstanding terminal payment and Non-Convertible Debentures issued to the extent of Mark to Market Loss in respect of fresh Equity issued as approved by CDR EG to CDR Lenders (Now Debenture holders) viz. IDBI Bank Limited, IFCI Limited, Life Insurance Corporation of India, Punjab National Bank and Punjab & Sind Bank, are/will be secured by way of existing charge on Movable or/and Immovable Properties of the Company.
- 18.3 The Corporate Debt Restructuring (CDR) Empowered Group had restructured the debt liabilities of the



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Company in January, 2003 and had thereafter revised, reworked and modified the same from time to time. The CDR Empowered Group has approved the Proposal of the Company for One Time Settlement (O.T.S.) of the outstanding Term Loans and Non-Convertible Debentures and Sanctioned Working Capital Facilities as on 1st April, 2012 on 100% principal basis with a cut-off date of 15th November, 2012. In terms of the same, the Company had to make payment of (a) Upfront Payment of 35% of the O.T.S. Amount as first tranche, 10% of the balance 65% of O.T.S. Amount as second tranche by 30th September, 2014 and the remaining 90% of the balance 65% of O.T.S. Amount as third tranche by 1st April, 2015 and (b) Interest from 1st July, 2012 to 30th September, 2012 on the entire outstanding amount and interest from 1st October, 2012 to the date of payment of first tranche on 35% of O.T.S. Amount alongwith the payment of first tranche and interest from 1st October, 2012 to the date of payment of first tranche on balance 65% of O.T.S. Amount by 31st October, 2013. No interest is chargeable on the balance 65% of O.T.S. Amount from the date of payment of first tranche. Accordingly, the Company has made the payments of the first tranche and second tranche of the O.T.S. Amount alongwith interest payable on due dates as per terms of the O.T.S. sanction.

- 18.4 The final tranche of O.T.S. amount had fallen due on 1st April, 2015. The Company could not make the payment of the same on due date. At the request of the Company, the CDR Empowered Group has, inter alia, approved the terms of the said terminal payment i.e. (i) The Outstanding amount (as on 1st April, 2015) of terminal payment of OTS amount shall be converted into Equity and Fully Convertible Debentures (FCDs) (ii) Equity Conversion shall be by issuance of fresh equity of 66,05,246 shares as per applicable SEBI norms, (iii) The balance outstanding terminal OTS payment is to be converted into Fully Convertible Debentures (FCDs) and (iv) The Company shall issue Non Convertible Debentures (NCDs) to Lenders to the extent of Mark to Market Loss in respect of fresh Equity issued by the Company; and these FCDs & NCDs shall carry fixed interest rate at IDBI Bank Limited's Base Rate as on cut-off date of 30th June, 2015 i.e. 10% p.a. The CDR Empowered Group further approved waiver of interest on outstanding O.T.S. amount during period April, 2015 to June, 2015. The Company has received individual sanctions from all financial institutions and banks. The Company has issued Equity Shares and Debentures (NCDs & FCDs) to all the lenders as per CDR sanction.

### Note No. 19

#### NON CURRENT- PROVISIONS

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Provision for Employee Benefits</b>			
Gratuity	330.20	508.39	434.26
Leave Encashment	784.57	813.43	635.93
	<u>1114.77</u>	<u>1321.82</u>	<u>1070.19</u>

- 19.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense. and other comprehensive income as per Ind-AS 19.

### Note No. 20

#### CURRENT - FINANCIAL LIABILITIES-BORROWINGS

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Working Capital Loans (Secured)</b>			
Punjab & Sind Bank	-	-	1.51
Punjab National Bank	-	-	16.38
	<u>-</u>	<u>-</u>	<u>17.89</u>
<b>Other Loans and Advances (Unsecured)</b>			
Advances from Customers	281.23	249.18	131.32
	<u>281.23</u>	<u>249.18</u>	<u>149.21</u>



20.1 Cash Credit from the banks is secured by way of hypothecation (by way of first charge) of raw materials, stocks in process, finished goods, stores and spares and book debts of the Company wherever situated and is/ will be secured by way of mortgage (by way of second charge) on all the immovable properties both present and future.

**Note No. 21**

**CURRENT-FINACIAL LIABILITIES-TRADE PAYABLE**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Creditors</b>			
Against Capital Goods	8.00	9.11	24.91
Others	2065.65	2586.81	2897.44
	<u>2073.65</u>	<u>2595.92</u>	<u>2922.35</u>

**Note No. 22**

**OTHER CURRENT LIABILITIES**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Other Liabilities</b>			
Statutory Liabilities	694.61	184.01	154.84
Others Liabilities*	10413.02	7399.79	5101.39
Interest accrued but not due	71.05	556.85	239.27
	<u>11178.68</u>	<u>8140.65</u>	<u>5495.50</u>

\*Includes electricity bill payable to PSPCL which is shown net of Rs. 298.99 lacs (Previous year Rs.529.81 lacs) recoverable on account of peak load charges on open access based on Memo No. 1169/1250 dated 30.12.2015 of PSPCL and other claims.

**Note No. 23**

**CURRENT-PROVISIONS**

(Rs. in Lacs)

Particulars	As at 31.3.2018	As at 31.3.2017	As at 1.4.2016
<b>Provision for Employee Benfits</b>			
Leave Encashment	57.24	27.73	12.54
Bonus	1.64	0.99	2.51
	<u>58.88</u>	<u>28.72</u>	<u>15.05</u>

23.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense, and other comprehensive income as per Ind-

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<b>Note No. 24</b>		
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>As at 31.3.2018</b>	<b>As at 31.3.2017</b>
a) Letters of Credit Outstanding	-	-
	(-)	(-)
	(-)	(-)
	(-)	(-)
b) Bank Guarantees given by Company	213.11	179.27
c) Excise/Service Tax/ Entry Tax Demands/claims under appeal (Including Rs. 23.43 lacs deposited under protest)	426.26	397.50
d) House Tax on Industrial Buildings for the period 1.10.2010 to 31.3.2013 for which the Company's Revision Petition is pending before the Revisional Authority after the disallowing of the Company's Appeal which was filed before the Appellate Authority after payment of a sum of Rs.20 lacs pursuant to the Order dated 14.3.2014 of the Punjab & Haryana High Court in the Civil Writ Petition filed by the Company.	99.84	99.84
e) Estimated amounts of contracts remaining to be executed on capital account and not provided for	259.18	27.55
f) Differential amount on delayed payment claimed by PSPCL	614.85	608.23
g) Additional Liability on account of Income Tax Assessments for the Assessment Years 2016-17 onwards (which are pending), is unascertainable.		
<b>Note No. 25</b>		
<b>REVENUE</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Revenue from sale of goods	34201.58	30277.42
Revenue from trading of goods	-	-
	34201.58	30277.42
Less: Excise Duty	838.06	3467.20
	33363.52	26810.22
Other Income:		
Interest received	103.51	102.84
Scrap Sales	111.26	121.20
Misc. Income	383.89	43.35
Investment Incentive written back	-	2.24
Excess Provision written back	34.41	1.19
Profit on sale of fixed assets	74.35	-
	707.42	270.82
<b>Note No. 26</b>		
<b>COST OF MATERIALS CONSUMED</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Salt	4240.84	3852.91
Soda Ash	50.92	58.57
Barium Carbonate	225.66	137.30
Sulphuric Acid	124.77	119.13
Others	97.41	94.92
	4739.60	4262.83
<b>Note No. 27</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-PROCESS</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
<b>Closing Stocks</b>		
Finished Goods	147.61	153.20
Stock in Process	39.74	38.05
	187.35	191.25
<b>Less: Opening Stocks</b>		
Finished Goods	153.20	196.09
Stock in Process	38.05	37.23
	191.25	233.32
<b>Increase/(Decrease) in Stock</b>	<b>(3.90)</b>	<b>(42.07)</b>



<b>Note No. 28</b>		
<b>MANUFACTURING EXPENSES</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Power, Fuel & Utilities	<b>19433.90</b>	18671.53
Stores & Spares consumed	<b>204.19</b>	301.28
Packing Material	-	0.01
	<b><u>19638.09</u></b>	<b><u>18972.82</u></b>
<b>Note No. 29</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Salaries, Wages & Bonus	<b>2267.73</b>	2445.74
Contribution to Provident, Superannuation & Gratuity funds	<b>396.41</b>	279.16
Staff Welfare, Recruitment & Training Expenses	<b>221.21</b>	229.92
	<b><u>2885.35</u></b>	<b><u>2954.82</u></b>
<b>Note No. 30</b>		
<b>FINANCE COST</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Interest and Charges		
Term Loans	-	-
Debentures	<b>317.52</b>	317.58
Cash Credit	<b>8.57</b>	14.66
Interest on ACD	<b>1251.11</b>	-
Mark to Market Loss	<b>406.22</b>	-
Security Deposits/Others	<b>45.95</b>	18.04
	<b><u>2029.37</u></b>	<b><u>350.28</u></b>
<b>Note No. 31</b>		
<b>ADMINISTRATION EXPENSES</b>		(Rs. in Lacs)
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Labour Charges	<b>166.38</b>	128.53
Railway Siding Operations	<b>7.01</b>	4.36
Repair & Maintenance		
Plant & Machinery	<b>158.77</b>	132.76
Building	<b>65.86</b>	121.39
Others	<b>13.96</b>	18.49
	<b>238.59</b>	272.64
Board Meeting Expenses	<b>3.44</b>	3.22
Travelling & Conveyance		
Directors	<b>2.31</b>	1.15
Others	<b>40.80</b>	42.79
	<b>43.11</b>	43.94
Statutory Auditors Remuneration		
Audit Fees	<b>0.51</b>	1.01
Tax Audit Fees	<b>0.07</b>	0.07
Other Services	<b>0.33</b>	0.31
Out of Pocket Expenses	<b>0.62</b>	0.60
	<b>1.53</b>	1.99
Legal & Professional Charges	<b>19.29</b>	31.87
Insurance	<b>98.65</b>	71.53
Printing & Stationery	<b>9.44</b>	11.60
Postage & Telephone	<b>12.52</b>	15.18
Electricity & Water Charges	<b>8.75</b>	7.34
Rent, Rates & Taxes	<b>48.06</b>	46.71
Pollution Control Expenses	<b>85.46</b>	109.97
Miscellaneous Expenses	<b>39.56</b>	16.14
Prior period adjustments	-	7.82
Loss on insurance claim	<b>0.12</b>	13.77
Doubtful Debts Others	<b>24.15</b>	23.52
	<b><u>806.06</u></b>	<b><u>810.13</u></b>

## Punjab Alkalies & Chemicals Limited

**Note No. 32**

### SELLING EXPENSES

(Rs. in Lacs)

Particulars	2017-18	2016-17
Advertisement	1.04	0.62
Freight, Cartage & Handling	1147.65	587.07
Business Promotion	5.01	1.91
Discounts & Commission	666.25	646.80
Chlorine disposal charges	520.75	-
Provision for doubtful debts	75.00	75.00
	<b>2415.70</b>	<b>1311.40</b>

Note No.33. Chandigarh Administration has allotted land to Company for construction of Office Building for Rs.169.47 lacs. Interest on delayed payments amounting to Rs.75.98 lacs has been imposed by the Estate Officer, Chandigarh. The Company is in the process of seeking appropriate legal remedy against the Orders of the Estate Officer imposing penal interest. In the meanwhile the Company has paid Rs.75.98 lacs towards penal interest under protest.

Note No.34. House Tax amounting to Rs. Nil lacs (Previous year Rs.Nil lacs) has been deposited during the year under protest with Municipal Council, Nangal. The total amount of house tax on Company's industrial building and residential units in housing colony deposited under protest is Rs. 168.85 lacs in respect of the years 1987-88 to 2012-13 and the legal cases in respect thereof are pending before Appellate/ Revision Authorities and High Court.

Note No.35. Debit & Credit balances of parties are subject to their confirmation.

Note No.36. Legal action had been instituted against customers from whom a total sum of Rs.642.38 lacs (Previous year Rs.612.49 Lacs) is due as the balance of the principal value of goods supplied. Out of these, some cases have been decided and decrees/awards for a principal sum of Rs.60.72 lacs (Previous year Rs.80.31 lacs) have been passed/ announced in favour of the Company. The remaining cases are pending before various Courts/Arbitrators.

Note No.37. **Employee Defined Benefits:**

Defined Benefit Plans-as per Actuarial Valuation as on 31st March, 2018		(Rs. in Lacs)
Particulars	Leave Encashment	Gratuity
Expense Recognised in the Profit & Loss Statement for the year	65.72	176.96
Present Value of Defined Benefit Obligation as at 31st March, 2018	841.81	1498.43
Funding of Plan Assets as a percentage of total Plan	Unfunded	78% with LIC
Actuarial Assumptions		
- Discount Rate	7.65%	7.65%
- Expected rate of return on Plan Assets	-	7.65%
- In-service Mortality	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)
- Attrition Rate	1% to 2%	1% to 2%
- Salary Rise	6.0%	6.0%
- Remaining Working life	10.45 Years	10.45 Years

Note No.38. **Related Party Disclosures:**

a) Names of related Parties and description of relationships, having transactions during the year

1) Significant Interest Entities:

The Punjab State Industrial Development Corporation Limited holds 90,90,000 Equity Shares of the Company, which constitutes 33.49% of the Subscribed Capital.

2) Key Managerial Personnel

- Shri Amit Dhaka, IAS, Managing Director
- Shri Ajay Pal Singh, Chief Financial Officer
- Smt. Sugandha Kukreja, Company Secretary

(Rs. in lacs)

b) Volume of transaction of related parties

	2017-18	2016-17
Remuneration (Key Managerial Personnel)		
- Shri Amit Dhaka, IAS, Managing Director (w.e.f.20th March, 2017)	-	-
- Shri Ajay Pal Singh, Chief Financial Officer, (w.e.f.6th June,2016)	13.25	18.24
- Smt. Sugandha Kukreja, Company Secretary (w.e.f.20th October, 2016)	7.88	2.92
- Shri Pradeep Nauhar, Company Secretary & Sr. General Manager (CompanyAffairs) till 19th October, 2016	*1.83	16.23
*Ex-gratia Arrear		

Note No.39. The Company had filed an Appeal in CESTAT against the order of Commissioner Appeals for the refund of Service Tax paid on outward freight. However, the appeal was dismissed by the Tribunal vide order dated 15th March, 2018. Hence, the Company has written off the amount of Rs.1123.32 lacs, being the amount claimable on service tax paid on outward freight, in the books of account for the financial year 2017-18 and has shown it as an exceptional item in the profit and loss statement.

Note No.40. A total of 2736 chlorine tonners (including rented tonners) and 2 Chlorine Cylinders of 900 Kg. and 100 Kg. each respectively, were in circulation with various customers as returnable empties, as on 31.3.2018.

Note No.41. Based on the information available with the Company, no balance is due to the micro and small enterprises as defined under the MSMED Act, 2006. Further, no interest during the period has been paid or is payable under the terms of the MSMED Act, 2006.

Note No.42. The Company adopted Indian Accounting Standards (Ind-AS) from 1st April, 2017 with the transition date of 1st April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind-AS) 34-Interim Financial Reporting Prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Consequently, erstwhile Indian Generally Accepted Accounting Principles (IGAAP) results for the financial year ended 31st March 2017 has been restated to make them comparable. Reconciliation of net loss as reported under erstwhile IGAAP and as restated now under Ind-AS is as under:

Particulars	Financial Year Ended 31.3.2017 (Audited)
Net Loss as reported earlier under erstwhile IGAAP	(2765.66)
(i) Impact of Capitalization of Stores & Spares (Refer note (a) below)	151.26
(ii) Impact of Depreciation consequent upon capitalization of spares (Refer note (b) below)	(27.53)
(iii) Impact of re-measurement of Employee Defined Benefits as Ind-AS -19 (Refer note (c) below)	209.83
Net Loss now reported under Ind-AS	(2432.10)

a) Represents consequential adjustment on account of capitalization of spares under Ind-AS 16 .

b) Represents depreciation consequent upon stores & spares capitalized hitherto booked as consumable stock under erstwhile IGAAP.

c) Represents re-measurement of liability on actuarial valuation as per Ind-AS 19 .

Note No. 43 The Company operates in a single business segment viz. chemicals.

Note No. 44 a)The Corresponding figures of the previous year have been regrouped/reclassified, wherever necessary.

b)The figures have been rounded off to the nearest Rs. Lacs.

# Punjab Alkalies & Chemicals Limited

Note No. 45. **ADDITIONAL INFORMATION AS FAR AS APPLICABLE PURSUANT TO PART II OF SCHEDULE III OF THE COMPANIES ACT, 2013:**

## i) PARTICULARS OF CAPACITY AND PRODUCTION

Class of Goods	Unit of Qty.	Licensed Capacity		Installed Capacity		Actual Production	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Caustic Soda	MT	99000	99000	99000	99000	91029	88301
Liquid Chlorine	MT	87714	87714	87714	87714	65854	63494
Hydrochloric Acid	MT	73755	73755	39600	39600	53759	55651
		(100% basis)		(100% basis)			
Calcium Hypochlorite	MT	2000	2000	-	-	-	-
(Bleach Liquor)		(As Chlorine)					
Sodium Hypochlorite	MT			1750	1750	17444	18419
				(As Chlorine)			
Hydrogen Gas	Lacs NM <sup>3</sup>	277.20	277.20	277.20	277.20	240.50	233.74

- The Sodium Hypochlorite Units are within the overall licenced capacity (2000 TPA) of Calcium Hypochlorite and Sodium Hypochlorite.
- Actual production of Sodium Hypochlorite is on liquor basis.
- Actual production of Hydrochloric Acid is on 30-33% concentration basis.
- In case of Hydrogen gas, internal consumption and saleable quantity are taken as actual production.

## ii) PARTICULARS IN RESPECT OF FINISHED GOODS

(Rs. in lacs)

Class of Goods	Unit of Qty.	Quantity		Value	
		2017-18	2016-17	2017-18	2016-17
SALES:					
Caustic Soda Lye	MT	87163	84423	32739.93	27433.80
Liquid Chlorine	MT	66048	63348	-5.47	938.19
Hydrochloric Acid	MT	47891	46512	218.38	543.82
Sodium Hypochlorite	MT	17426	18452	764.06	825.31
Hydrogen Gas	Lacs NM <sup>3</sup>	28.68	26.98	484.68	536.30
Total				34201.58	30277.42
OPENING STOCKS:					
Caustic Soda Lye	MT	418	643	139.97	181.55
Liquid Chlorine	MT	647	501	7.14	9.71
Hydrochloric Acid	MT	430	167	3.27	0.65
Sodium Hypochlorite	MT	61	94	2.82	4.18
Hydrogen Gas	Lacs NM <sup>3</sup>	-	-	-	-
Total				153.20	196.09
CLOSING STOCKS:					
Caustic Soda Lye	MT	448	418	133.90	139.97
Liquid Chlorine	MT	453	647	8.78	7.14
Hydrochloric Acid	MT	269	430	1.08	3.27
Sodium Hypochlorite	MT	79	61	3.85	2.82
Hydrogen Gas	Lacs NM <sup>3</sup>	-	-	-	-
Total				147.61	153.20
OTHER USE (QUANTITY ONLY):					
		Internal Consumption		Neutralisation/Losses	
Caustic Soda Lye	MT	3836	4103	-	-
Liquid Chlorine	MT	-	-	-	-
Hydrochloric Acid	MT	6029	8876	-	-
Sodium Hypochlorite	MT	-	-	-	-
Hydrogen Gas	Lacs NM <sup>3</sup>	211.82	206.76	-	-



**iii) QUANTITATIVE DETAILS OF CONSUMPTION OF RAW MATERIALS AND CHEMICALS**

(Rs. in lacs)

Item	Unit of Qty.	2017-18		2016-17	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
Salt (NaCl)	MT	144735	4240.84	140374	3852.91
Soda Ash	MT	239	50.92	273	58.57
Barium Carbonate	MT	652	225.66	460	137.30
Sulphuric Acid	MT	1866	124.77	1961	119.13
Others			97.41		94.92
Total			<u>4739.60</u>		<u>4262.83</u>

**iv) DETAILS REGARDING IMPORTED AND INDIGENOUS MATERIAL CONSUMED**

(Rs. in lacs)

Item	Imported Value (%)	Indigenous Value (%)	Total Value
Raw Materials and Chemicals	16.47 (0.35%)	4723.13 (99.65%)	4739.60
	[21.96 (0.52%)]	[4240.87 (99.48%)]	[4262.83]
Stores and Spares	19.33 (9.47%)	184.86 (90.53%)	204.19
	[64.42 (21.38%)]	[236.86 (78.62%)]	[301.28]

Previous year figures are in brackets.

**v) VALUE OF IMPORTS (CIF BASIS)**

(Rs. in lacs)

Particulars	2017-18	2016-17
Raw Materials	-	38.42
Stores and Spares and Membranes	326.27	311.62
Total	<u>326.27</u>	<u>350.04</u>

**vi) PARTICULARS OF PAYMENT MADE TO OR ON BEHALF OF THE DIRECTORS : Nil**

**vii) EXPENDITURE IN FOREIGN CURRENCY: Nil**

**viii) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND: Nil**

**ix) EARNING IN FOREIGN CURRENCY: Nil**

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date  
For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N

Sd/-  
(KAPIL VOHRA)  
Partner  
Membership No. 523735

Place: Chandigarh  
Date: May 28, 2018



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*The Chemistry of Excellence*